

# *The* NATIONAL UNDERWRITER

Life Insurance Edition

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FRIDAY, NOVEMBER 28, 1941

# **NYLIC FOR AGENTS**

## **A Successful Agency Plan Since 1896**

*Nylic for Agents*, a system of benefits for persistent and successful agents, was started by the New York Life Insurance Company in 1896. The primary purposes of this special agency plan, commonly referred to as *Nylic*, are:

**to encourage men and women of ability and integrity to engage in selling life insurance as a life career;**

**to offer the Company's agents an opportunity to qualify under the rules of *Nylic* for a monthly income, in addition to current commissions, payable in the third and subsequent years of an agent's membership in *Nylic* up to and including the twentieth year;**

**to offer the agents an opportunity to earn the right to receive a monthly income for life after qualifying for 20 consecutive years under the rules of *Nylic*;**

**to give the Company a corps of permanent agents and thereby to provide policyholders with greater continuity of personal service.**

All *Nylic* payments to an agent are determined by the volume, incidence and persistency of his business in accordance with the terms of his *Nylic* agreement. An annual minimum volume must be produced.

*Nylic for Agents* rewards and encourages increased length of service with the Company. During an agent's first 20 years in *Nylic*, his rate of compensation per \$1,000 of insurance on which the *Nylic* monthly income is based, is increased at the end of 5 years, 10 years and 15 years of continuous *Nylic* membership. After qualifying for 20 consecutive years, the agent becomes a Senior Nylic and receives a monthly life income.

Before he becomes a Senior Nylic an agent's membership in *Nylic* and qualification for *Nylic* payments are subject to his continuing in good standing under his agency contract with the Company, and his compliance with the rules and regulations of the Company. However, after he becomes a Senior Nylic he will receive regular monthly income checks for life, whether he has an agency contract with the Company or not, provided only that he does not enter the service of another life insurance company. Most Senior Nylics do have an agency contract with the Company and continue to write a substantial new business, thus increasing their incomes by first and renewal commissions on such business.

There are now nearly 1,000 living Senior Nylics and the present average Senior Nylic income check is nearly \$100 per month. The average age when agents become Senior Nylics has been about 55.

With this special agency plan which promotes and rewards long continuity of service, New York Life agents have a unique incentive to render the best possible service to their clients.

The experience of the Company with *Nylic* since 1896 shows that it benefits all concerned—the agent and Company, the policyholder and beneficiary.

*It is not the purpose of this advertisement to describe all of the benefits, rules and conditions of "Nylic for Agents." For complete information about the Nylic agreement now being made with newly appointed New York Life agents, see the Company's booklet entitled "Nylic No. 3."*

**NEW YORK LIFE INSURANCE COMPANY, 51 MADISON AVE., NEW YORK, N. Y.**

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# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 48

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 28, 1941

\$3.00 Year, 15 Cents a Copy

## Three Important Agency Changes in Mutual Life

**Myer Succeeds Myrick; Paige Detroit Manager; Hathaway Resigns in L. A.**

NEW YORK—Richard E. Myer has been appointed manager of the Ives & Myrick agency of Mutual Life of New York in New York City. He succeeds Julian S. Myrick, who was recently elected a second vice-president after serving as manager of that agency since 1909. Mr. Myer is resigning as manager of the Detroit agency to accept his new post. The Ives & Myrick agency, which is one of the largest and best known agencies in the country, will continue to operate under its present name, although neither Mr. Myrick nor Mr. Ives, who retired in 1930, will continue to have any interest in it. John W. Paige of Grand Rapids becomes Detroit manager.

### Mr. Myer's Career

Mr. Myer attended the Wharton School at the University of Pennsylvania. Although he left the University at the end of his junior year to serve in the army as a second lieutenant during the world war, he was awarded a B.S. degree in 1929, as of the class of 1919. He entered life insurance after his discharge from the army, and in 1921 became district manager for Mutual Life at Elmira, N. Y. As a life man, he qualified for the National Field Club for ten consecutive years, and in 1929 was a member of the million dollar round table. He underwrote an average of more than 100 lives a year in each of the 10 years from 1919 to 1929. During this period he was closely associated with Julian Myrick in the affairs of the New York State Association of Life Underwriters. In 1930 he was transferred to the home office, where he reorganized the training program and promotional literature and instituted a new field service program. He prepared for publication the Mutual Life text book on insurance.

In 1934, when the Pennsylvania territory was reorganized, he established a new agency in Harrisburg and served as its manager. In the years 1936 to 1940 the Harrisburg agency, under his management, closed each year in first, second or third position among Mutual Life agencies, on the basis of rating agency accomplishments. In three of those years his agency stood first or second for accomplishments in the recruiting and training of new agents.

Mr. Myer was transferred to the Detroit agency as manager Jan. 1, 1941, and in the past year has improved the position of that agency by seven places in the Mutual Life ranking.

John W. Paige has been appointed manager at Detroit to succeed Mr. Myer. Mr. Paige goes to Detroit from

(CONTINUED ON PAGE 22)

## Two Largest Insurers to Increase Rates Jan. 1

### Metropolitan's Increase in Ordinary Premiums About 10 Percent

Metropolitan Life has now announced officially that effective Jan. 1 new policy forms with reserves and cash values based on an interest rate of 2½ percent instead of the higher interest rates now used will be adopted.

In connection with this change, the company is adopting more modern mortality tables as the basis of reserves and cash values under the new policies.

While the new premium rates reflect recent improvement in mortality, the effect of low interest rates greatly overshadows this improvement so that premium rates are generally increased. However, because of good experience, rates for the accidental means death benefit and the waiver of premiums disability benefit will be somewhat reduced. The additional charge for semiannual and quarterly premiums has been somewhat reduced for new policies.

### Increase About 10 Percent

The increase in premium rates in the ordinary department will average slightly less than 10 percent. The increase in the industrial department will be somewhat greater on the average, because industrial premium rates were not increased when ordinary premium rates were increased in 1935 by the adoption of a 3 percent interest assumption. Increases in rates will, of course, vary according to the plan of insurance and the age of the insured. Larger premium increases have been necessary on high-premium policies where the investment feature is more pronounced, while the increase on low-premium policies which feature protection and have a smaller investment element will be somewhat less because the improvement in mortality has in their case offset to a greater extent the increase in premium rates made necessary on account of the low interest rates. Since the interest rate to be used for computing reserves is lower, higher reserves will have to be accumulated in most cases and, consequently, cash surrender values per \$1,000 of insurance and other nonforfeiture values which are based upon the reserves will also be generally greater.

The principal changes in the policy forms have been made in the nonforfeiture benefits and in the provisions for optional modes of settlement. Extended insurance benefits are available under the new policies in event of default after premiums have been paid only six months. Heretofore such insurance has not been available under most ordinary policies until premiums have been paid for two or three years. In addition, the terms of such insurance under both ordinary and industrial policies is generally greater than under current policies. Cash surrender values are generally higher and are available under ordinary policies after premiums have been paid for two years, and under industrial policies after three years. The full reserve is available as a

### Prudential to Use 2½% Factor—Ordinary Rates Up 8%

NEWARK — Prudential announces that, effective Jan. 1 it will adopt new ordinary, intermediate and industrial premium rates and policy forms.

The premium rates, reserves and cash values will be based on 2½ percent interest instead of the 3½ percent interest basis in use at present. Prudential is the second company to announce the adoption of a rate of interest lower than 3 percent in computing premium rates, reserves and cash values, Metropolitan having announced its plans to use 2½ percent.

Except for its industrial policies, there will be no change in the table of mortality used in connection with these new rates and values, as Prudential already bases its premium and other calculations on a relatively modern mortality table. Metropolitan is switching from the American Experience to the American Men table.

The overall increase in ordinary premium rates averages something less than 8 percent. The increase is to be greatest in limited payment life policies, particularly at the younger ages, while smaller increases have been made on whole life policies and on term policies where the investment element is at a minimum.

Further encouragement is to be given to writing of term insurance through the reduction in the minimum amount of the 20-year term policy and an increase in the maximum age limits for term policies in general.

The minimum amount of insurance for which a modified 20-year term policy may be written will be reduced from \$5,000 to \$2,500. The maximum age limits for term policies will be increased by five years to age 60 for 10-year term, age 55 for 15-year term, and age 50 for modified 20-year term.

All of the ordinary policy forms have been revised. All non-forfeiture values have been changed and cash values have been considerably increased due to the adoption of a lower rate of interest for the accumulation of reserves. There have been minor changes in the wording of the various provisions, mainly in the interest of clarity.

The guaranteed interest provided for settlement options and dividend accumulations has been reduced to 2 percent. The one-sum maturity values for each \$10 of monthly income under family income policies, income endowment policies, and all monthly income policies have been increased due to the use of the lower interest rate for the calculation of the amount of insurance necessary to provide an income of \$10 a month.

A new ordinary rate book has been prepared.

In Minnesota it will again be possible to write single payment life policies after the first of the year.

In Wisconsin endowment policies will not be written at ages under 30 to mature earlier than age 55.

(CONTINUED ON PAGE 11)

## Huge Group Plan Provides for Paid-Up Values

### Aetna Life's \$100,000,000 Deal with Harvester Has Novel Features

With 90 percent of the 65,000 employees of International Harvester Company signed up, the huge group life insurance plan with Aetna Life will go into effect Dec. 31. The face amount of insurance amounts to about \$100,000,000. This plan, which was worked out over a period of about a year, involves several interesting features. It provides for the building up by the employees of equities in their policies, which can be converted into cash or paid up life values upon retirement or termination of service. The Aetna Life's plan is somewhat in the nature of a reinsurance of the Harvester Employees Benefit Association, which has been in existence since 1908. Aetna Life takes over the life insurance liabilities of the employees' association but the association will continue to provide disability and hospitalization benefits on its own account. The consultants in this program was the firm of Towers, Perrin, Forster & Crosby of Philadelphia with H. W. Forster being the principal individual working on the project.

### Fowler McCormick Statement

In addition to the paid-up insurance, which is purchased by employees' contributions, the company has undertaken to buy substantial amounts of term insurance for each employee who joins the plan, and also to pay the entire cost of an extra \$1,000 accidental death benefit protection for each employee joining the plan.

President Fowler McCormick states: "So far as we have been able to learn, the new group plan is the first group insurance plan which has ever offered employees paid-up insurance with a cash-surrender value, together with term insurance which can be converted into other forms of insurance when an employee leaves or retires."

"Employee contributions, on the whole, will be no larger under the group plan and revised E.B.A. plan than they were under the old E.B.A. plan. The cost to the company under the group plan and revised E.B.A. plan will be approximately 50 percent greater than its contribution to the old E.B.A. plan. The cost to the company will be greater than the employee's share of the cost of the usual plans of group life insurance. Moreover, the Harvester Company guarantees to pay for at least five years the full cost of term insurance and accidental death benefits under the plan."

It was found that the E.B.A. plan could not be continued. The trustees were warned in 1936 by actuaries that

(CONTINUED ON PAGE 10)

## Pension Trusts, Salary Savings Plans Compared by Perrin

In his discussion of pension trusts at the recent meeting of the American Institute of Actuaries, O. W. Perrin, associate actuary Penn Mutual Life, raised the question of what the experience has been on that class of business in comparison, for example, with salary savings plans. He said the Penn Mutual has had a satisfactory experience on salary savings groups, in particular from the production and mortality points of view. He gave credit in large measure to the agency department in having such business solicited by well-trained agents who specialize in their field.

"Pension trust plans, under the company's present regulations," he said, "would unavoidably place greater emphasis than salary savings on the higher priced and shorter endowment plan and on annuities, which is obviously less desirable, at least from the investment point of view."

He said that his company has been giving careful consideration to pension trusts but is not yet convinced that it is the type of business which it should encourage its field representatives to solicit. So far as the operations of these plans are concerned, he said that he was entirely open-minded, seeking to explore both their advantages and disadvantages.

### Advantages and Disadvantages

"It is true," Mr. Perrin said, "that the pension trust appears to open a field of prospects to the agent which might otherwise remain almost wholly closed to him, but if individual contracts are to be used instead of group, they would be subject to the same general disadvantages, largely of an investment nature, as have caused certain companies to withdraw from the group annuity field. Moreover, adjustments reflecting current interest and other trends, already made by certain companies, which continue to issue group annuities, are still lacking in the case of many companies issuing only individual contracts and will continue to be lacking until state laws are amended to

permit such adjustments. The result is to improve the competitive position of such individual contract companies and thereby subject them to increased pressure to write this class of business. Even assuming properly adjusted rates, the question still remains as to how far individual contract companies should go in meeting what may be, in properly selected instances, a wholly legitimate demand."

### Tax Exemption Angle

In reviewing the tax advantage to the employer, he pointed out that if pension trusts are properly designed, the amounts contributed by the employer are deductible under his federal income tax return as a business expense, thereby reducing the actual cost of the pension trust to the employer to the difference between his annual contributions to the trust and the portion which, had the trust not been created, would have been taken by the government in the event that amounts equal to the contributions had been included in corporate profits. Then he asked:

"How far should life insurance companies go in encouraging or permitting the sale of pension trusts where tax exemptions are an objective? Certainly no promises of tax exemption should be given either by the company or its agency representatives and, in fact, there should be no responsibility incurred by either for the tax motive of the purchaser. The employer and the government should be the sole parties to the question of determining whether a pension trust under which tax deductions are sought is a legitimate one for that purpose or not."

### Should Safeguard Company

"For the life insurance company and the agent, our service is completed by the issue of properly drawn policy contracts within the company's own regulations. To safeguard the company in this respect (and in others that might be mentioned) every pension trust

(CONTINUED ON PAGE 9)

Honor Haas and Bennell  
at Pittsburgh Luncheon



A. F. Haas



A. H. Bennell

## Ordinary Life Sales for October Show 14 Percent Increase

Ordinary life sales increased 14 percent in October, according to the Sales Research Bureau. October sales totaled \$658,339,000, bringing the total volume for the first 10 months up to \$5,857,865,000, a 7 percent increase.

Pacific coast states led in the October increases with a 23 percent gain with the east north central, middle Atlantic and New England states above average. Florida and Vermont were the only states which did not register gains in October.

Los Angeles showed the largest gain among cities in October with a 35 percent increase, bringing its total gain to date up to 9 percent. Cleveland also had an outstanding increase with a 30 percent gain in October and 7 percent for the year. Detroit was 19 percent ahead in October and 20 percent for the year. Philadelphia, 16 percent in October and 7 percent for the year. Chicago, New York stand the same with 5 percent gains in October and 1 percent loss for the year. Boston was ahead 2 percent in October and 6 percent for the year. St. Louis was even in October and is ahead 1 percent for the year.

Sales by states follow:

	—October—	1st 10 mos.
	% Inc.	% Inc.
Ala. ....	\$ 5,857	18
Ariz. ....	1,295	14
Ark. ....	3,811	35
Cal. ....	44,583	23
Col. ....	5,769	20
Conn. ....	14,609	21
Del. ....	1,947	17
D. C. ....	6,722	31
Fla. ....	6,739	4
Ga. ....	9,211	5
Ida. ....	1,543	3
Ill. ....	49,072	10
Ind. ....	16,627	15
Iowa ....	11,677	5
Kan. ....	7,849	22
Ky. ....	7,163	14
La. ....	5,697	9
Me. ....	3,454	30
Md. ....	10,079	14
Mass. ....	23,572	6
Mich. ....	30,160	20
Minn. ....	13,437	00
Miss. ....	3,457	9
Mo. ....	16,821	7
Mont. ....	1,833	81
Neb. ....	6,003	8
Nev. ....	517	13
N. H. ....	3,016	57
N. J. ....	31,051	29
N. M. ....	1,258	7
N. Y. ....	89,872	7
N. C. ....	10,719	8
N. D. ....	1,735	7
Ohio ....	42,515	21
Oklahoma ....	7,347	1
Ore. ....	6,382	28
Pa. ....	60,090	18
R. I. ....	4,918	25
S. C. ....	4,769	27
S. D. ....	2,004	21
Tenn. ....	8,368	10
Tex. ....	28,652	12
Utah. ....	3,202	21
Vt. ....	1,626	6
Va. ....	10,791	20
Wash. ....	10,472	21
W. Va. ....	5,153	6
Wis. ....	13,805	16
Wyo. ....	1,090	18
	10,498	12

### Lounsbury Talks on Inflation

Ralph R. Lounsbury, president of Bankers National Life, addressed the Jersey City Kiwanis Club Thursday on "Inflation." The address was carried over station WAAT. President of the Jersey City club is Dr. Berthold T. D. Schwarz, who is medical director of Bankers National.

## Address Life Presidents' Annual Convention in New York



H. STYLES BRIDGES  
New Hampshire U. S. Senator



M. GRATTAN O'LEARY  
Associate Editor Ottawa "Journal"



JUAN T. TRIPPE  
President Pan-American Airways

NEW YORK—Two more speakers have been added to the program for the Life Presidents' Association's annual meeting here Dec. 11-12.

U. S. Senator H. Styles Bridges from New Hampshire will speak on "Responsibilities of Legislators in Defense of Democracy" and M. Grattan O'Leary,

associate editor Ottawa "Journal" will be the Canadian representative on the roster.

Senator Bridges has been in the Senate since 1937, previously serving his state as governor.

Mr. O'Leary is expected to discuss phases of the war situation in the Brit-

ish Isles. One of a group of Canadian newspaper men invited to study war conditions in Great Britain and Ireland in September and October of this year, he has recently returned after interviewing Prime Minister Churchill and Eamon DeValera. That J. T. Trippe would speak was announced previously.

## Mutual Benefit Increases Single Premium Rates

On all single premium life and endowment forms the Mutual Benefit Life has raised rates, cut commissions slightly, and cut the maximum application from \$50,000 to \$25,000. Interest and mortality assumptions remain the same but the loading has been increased. On a single premium life policy issued at age 40, for example, the increase in the gross premium is about 10 percent.

### Two in Millionaire Group

Vaughan Chambers and Robert Hoffman of the Louis F. Paret agency of Provident Mutual in Camden, N. J., and Philadelphia, have received word that their business now in force entitled them to membership in the company's "Millionaire Group."

November 28, 1941

## LIFE INSURANCE EDITION

3

## Personal Production from Supervisors Aids Agency Morale

### Leadership Less Effective Otherwise, C. J. Zimmerman Tells N. Y. Group

NEW YORK—Members of the New York City Life Supervisors Association heard with much interest Charles J. Zimmerman's vigorous advocacy of the supervisor and general agent practicing what they preach by turning in a substantial volume of personal production. Formerly a supervisor himself in New York City, Mr. Zimmerman not only knew most of his hearers personally but was intimately familiar with their problems. Attendance at the luncheon was the largest in the group's history. As general agent of Connecticut Mutual in Chicago, he continues to keep his hand in by means of personal production and said that anyone who is supervising agents should do so. He conceded that there might be some who would argue with him but said he would stick to his guns on that point.

From the supervisor's angle there is also the consideration that largely because of home offices' failure to recognize the importance of the supervisor's job he is the poorest paid man in the agency, Mr. Zimmerman said. Consequently he must do a personal production job in order to make a decent living.

### Production Helps Morale

From the agency point of view, if the supervisor or general agent stays out of production he loses confidence in his ability to teach men to sell or to go out and help them effectively. Consequently personal production is essential to agency morale. He said that if he let his own personal production slip he noticed the difference.

Discussing agency morale, Mr. Zimmerman said the Sales Research Bureau had discovered that the only common denominator of all successful agencies was high morale. Morale, he said, results from close personal supervision, continuous training, education, coaching on the job to develop skill, interesting sales demonstrations, occasionally one in reverse, to show how not to sell; close mechanical supervision, that is, a routine system of keeping in contact with agents' activities; building the agents up with their wives and selling the business to the wives; building up the agent with his fellows by getting him publicity in the trade and/or daily press when he merits it, and at all times maintaining complete confidence in the agent.

### Success Atmosphere Vital

The "success atmosphere," he said, is vital to morale and one of the best ways to promote it is through contests. He mentioned that in a recent contest the girls in the office acted as cheerleaders and took a real interest in the outcome.

Mr. Zimmerman also said that the new agent must be sold the business on an honest basis, being shown how tough it is as well as its opportunities. The supervisor should be a sympathetic leader and not a boss. There should be definite discipline, not onerous but what there is should be insisted upon. Leads and joint work should be distributed impartially.

The Northwestern Mutual male chorus, composed of home office employees, presented a concert in Milwaukee for the benefit of British war relief.

## Largest Savings Bank in U. S. to Sell Insurance

NEW YORK—Bowery Savings Bank, the largest savings institution in the United States, has applied for permission to sell life insurance under New York state's three-year-old savings bank life insurance system. The Bowery's decision will make it the 40th savings bank to open a life department in New York state. The total number of savings institutions in the state is 134.

When savings bank life insurance was being proposed in New York state it was mainly the smaller banks, presumably in an aggressive effort to enlarge their deposits, which promoted the idea. The larger banks hung back and a number of them were definitely opposed to entering the system. However, in the last few months some of the state's largest banks have been joining the system and savings bank life insurance enthusiasts are hopeful that with the Bowery in the fold most of the other banks will take the plunge without delay.

### L.O.M.A. Annual Meeting in Swampscott, Sept. 28-30

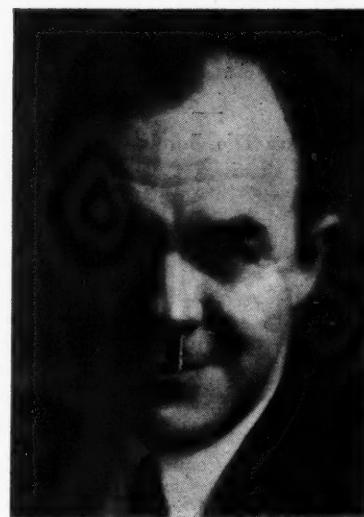
The Life Office Management Association will hold its 1942 annual meeting in Boston and Swampscott, Mass., Sept. 28-30. Headquarters will be in Swampscott, but meetings will be held both there and in the new home office building of the New England Mutual in Boston.

A spring meeting is scheduled for the third week in April at Greensboro, N. C., the dates to be announced later.

### Zone 3 Renames McCormack

LOUISVILLE—Commissioner McCormack of Tennessee was reelected

## Again Chairman



A. N. BUTLER

A. N. Butler, vice-president of the Corroon & Reynolds fire insurance companies in New York City, again was made chairman of the local arrangements committee for the meeting of the National Association of Insurance Commissioners in his city, Dec. 8-10. He was a former deputy insurance superintendent of the New York department and was in its service nearly 20 years.

chairman of Zone 3 of the National Association of Insurance Commissioners at its meeting here. The commissioners in attendance held an informal discussion of examination problems. Eight southern states are in the zone.

## ALL SHARE

When, back in the days of 1917 and 1918, the National Association of Life Underwriters rallied its members to a contribution of time and effort toward the sale of Liberty Bonds, through the members of that time a billion dollars worth of Liberty Bonds were sold to the American public.

Today, with National Defense in another great emergency, the National Association is leading another patriotic effort, this time the wide distribution of Defense Bonds. In the Association are some 33,000 salesmen trained to specialize on the telling of the story of thrift. The public has come to think of life insurance underwriters as specialists on various types of thrift, and the recognition should prove invaluable in the approach on the national job they are now undertaking, which is to develop payroll allotment plans, through business and industrial organizations, for the sale of Defense Bonds.

In life insurance the policyholders simply insure one another, sharing the risks, the expenses, and the savings. Defense Bonds are premiums on insurance for the Nation. The whole people must insure the safety of the individual, and it is essential that every citizen share the risk, the expenses, and the savings.

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Fischer Ouster Move Waits on Interpretation

### Court to Decide on Power to Remove Iowa Commissioner

DES MOINES—Commissioner Fischer was prepared to defend his administration against charges made by a policyholder of American Mutual Life of Des Moines, at a hearing before the state executive council, when the proceeding was thrown into court over a question as to the legal power of the governor.

The policyholder, Benjamin Wolf of St. Louis, has filed charges with the council against Mr. Fischer claiming partiality and maladministration in office and asking for his removal from office. The attorney for Wolf, H. M. Havner, former Iowa attorney-general, also has filed additional charges including Hawkeye Casualty and Travelers Mutual Casualty of Des Moines, claiming Fischer had allowed "gross wrongdoing, misappropriation and misuse of company funds."

### Supported by Commissioners

When the case came up for hearing before the executive council, which is composed of the governor, secretary of state, secretary of agriculture, auditor and treasurer, Commissioners Hobbs of Kansas, Sullivan of Washington and former Superintendent Lucas of Missouri were in attendance ready to testify in behalf of Mr. Fischer.

However, the executive council by a vote of three to two adopted an attorney-general's ruling that only the governor could remove the insurance commissioner from office.

Havner then filed a petition for a writ of certiorari in municipal court to stay all proceedings until the question of jurisdiction could be settled. Hearing on the writ was continued until Dec. 15.

Willis O'Brien, attorney for another policyholder, contended both at the council meeting and court hearing that there was nothing further for the executive council to argue and that the case was closed because of the decision that the council did not have jurisdiction.

### Fischer Files Reply

Mr. Fischer filed a reply with the state executive council in which he categorically denied all of the charges made by Wolf and asserted that the real purpose of the complainant and his counsel was to "promote their own selfish interest and motives in attempting to secure control of the company's board of directors."

Mr. Fischer said American Mutual is solvent financially and has benefitted by changes in its official personnel.

The commissioner said that when he assumed office on Feb. 9, 1939, an examination of the company was in progress and this report showed no evidence of any irregularities in the financial business of the company.

Early in February, 1940, Mr. Fischer said P. A. Stark, vice-president of American Mutual, conferred with him and presented evidence of a practice of diverting collection fees remitted directly to the home office. This was alleged to have occurred between 1925 and 1937.

The commissioner said he immediately ordered an examination of the company

(CONTINUED ON PAGE 22)

## Sues Nebraska Authorities Over Pathfinder Issue

LINCOLN, NEB.—Judgment for \$375,000 is asked in federal court against Insurance Director Fraizer, Department Attorney John S. Logan and Special Assistant Frank Landis by Conrad Huber, California policyholder of Pathfinder Life of Grand Island, now in the hands of the department for liquidation or reinsurance. Mr. Landis is in charge.

The petition charges that the department officials entered into conspiracy with Lloyd E. Peterson and D. W. Livingston, Nebraska City attorneys, and Harry Grimminger, Grand Island lawyer, also made defendants, who represented four policyholders in previous litigation in which a receivership was sought and also an accounting from the officers and directors. It is alleged that this conspiracy began immediately after Mr. Fraizer assumed office in January, 1941, and sets up various alleged acts all of which were charged to be done for the purpose of transferring control of the company to a group of Grand Island business men for their profit and to enrich the attorneys named by \$20,000 as fees for litigation that was unnecessary and which damaged the company many thousands of dollars.

### Charges Intimidation

It is charged that Mr. Fraizer attempted to intimidate officers of the company to relinquish their offices and consent to a receivership "and permit the department of insurance to operate it through the agency of their political henchmen." They say that when they did consent to a receivership it was against their will and better judgment, and that they would not have done so except under coercion.

The petition alleges that the company is solvent and has been so for more than 50 years, that it has met all claims, borrowed no money and has adequate assets to meet policy requirements in the future. It is charged that the department, by applying a special formula in valuation of assets, one not used with other companies, being to value real estate at its forced sale value, found the company had been impaired 25 percent and so announced publicly to the damage of the company and its policyholders.

Another allegation is that after the director had orally approved a reinsurance contract with Standard Life of Indiana in the making of which the officers and directors were coerced against their better judgment, and after the policyholders had overwhelmingly approved, he joined with Grimminger in an action pending in the district court at Grand Island in asking the court to take over the company. This resulted in the tying up of \$800,000 of its assets.

It is also charged that the court was misled by the making of false statements that the company was impaired 25 percent; that the real estate and bonds and securities were being carried as required by the department; that the department required all companies to value real estate on a forced sale basis; and that the company did not have adequate reserves or liquid assets sufficient to pay claims as they became due, considering the premium income, interest and other income.

The plaintiff asks a court order restoring the assets of the company to the policyholders; enforced compliance by the department of a federal court finding in a case protecting the rights of fraternal policyholders, issued by a predecessor company, and that the defendants be enjoined from further carrying on the "conspiracy."

### Conn. General Agencies' Rally

A 6-weeks contest between the Des Moines and Kansas City agencies of Connecticut General ends Nov. 29. A

convention for qualifiers in the two agencies during the contest will be held in Excelsior Springs, Mo., Dec. 5-7. Charles Maxwell, Iowa manager, and L. E. Reitz, Kansas City manager, will be in charge. F. H. Haviland, vice-president in charge of agencies, will attend from the home office as guest of honor.

### Manhattan Life Bonus

Manhattan Life has adopted a system of special allowances for the benefit of its employees, in recognition of the emergency. These allowances will be paid at the end of each quarter to employees receiving \$5,000 annually or less. For the quarter ending Dec. 31 the payment will be at the rate of 5 percent on salary earned at a rate of not exceeding \$2,500 yearly, and 2½ percent on the balance. The basis of the allowances will be subject to revision whenever necessary.

### Canadian Sales Up 34%

TORONTO—Continuing the upward trend, new business life insurance sales in Canada and Newfoundland for October totalled \$41,740,000, an increase of 34 percent over the corresponding period of last year, according to the Canadian Life Insurance Officers Association.

### First Member of Leaders Unit of Dominion Life

T. S. ("Pat") Malone, who operates his own general insurance agency in the Union Guardian building, Detroit, although placing considerable business with a number of leading life companies, has just qualified as the first member of the Dominion Life's current Leaders Production Club.

Mr. Malone is celebrating his 20th year in the insurance business and is receiving many tributes from friends, business associates, and various company officials. Although writing a large volume of fire and casualty business, Mr. Malone has always emphasized particularly life insurance, and each year has produced a substantial amount of both life contracts and annuities. The present year has shown a marked increase in volume of all lines handled by his agency.



T. S. Malone

### Travelers Carries on Currier & Ives Tradition

Travelers, for its 1942 calendar, is carrying out its tradition of the past several years, reproducing 12 Currier & Ives prints. This decision will meet with the approval of agents and policyholders who have enjoyed having this type of calendar during the past several years. There is only a small identifying imprint on the calendar sheet. The back sheet contains a paragraph on each of the scenes reproduced together with particulars regarding the prints and the print makers. Below this appears a statement of the various lines written by Travelers and there is space for the agent's imprint.

### Buffalo Managers to Hear Ring

BUFFALO—Irving T. F. Ring, general counsel of State Mutual Life, will address a dinner meeting of the Buffalo Life Managers Association Dec. 2 on "The New Tax Laws and How They Affect Life Insurance." Tower C. Snow will preside.

Mell W. Hobart, executive secretary of Ministers Life & Casualty has been elected a director of the Marquette National Bank of Minneapolis.

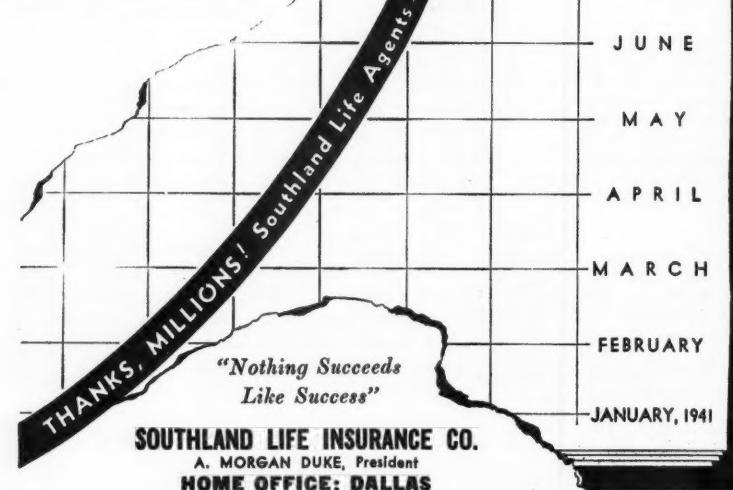
## Achievement!

On October 23, Southland Life Agents Passed the Total 1940 Production

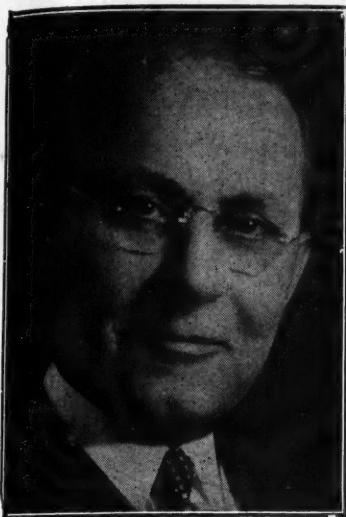
SOUTHLAND LIFE feels justifiably proud of the accomplishment of its field force this year. The accompanying graph shows how Southland Life agents "went over the top" leaving more than two months' production for gain this year.

Congratulations, Southland Life agents! And we are waiting with eager interest the total which will spell your final success for the year.

For information concerning agency contracts in this wide-awake Texas company, write Joe Woodward, Vice President and Agency Director, or John L. Briggs, Vice President.



## ILLINOIS COMPANIES ORGANIZE



**GEORGE R. KENDALL**  
President



**L. D. CAVANAUGH**  
Secretary

An organization of Illinois legal reserve life companies was established this week with almost all eligible institutions participating. G. R. Kendall, president of the Washington National, was chosen as the first head of the new association. L. D. Cavanaugh, presi-

dent Federal Life, was elected secretary. This organization was largely promoted by the American Life Convention. Manager C. B. Robbins, Associate General Counsel R. H. Kastner and Secretary F. E. Huston from the A.L.C. office, took part in the proceedings.

## See Prospects on New Estate Tax, McFarlane Says

The new federal income tax will cost life underwriters certain business that they otherwise would have sold in 1942. F. L. McFarlane, million dollar producer of Aetna Life in Cleveland, told the Associated Life General Agents & Managers of Cincinnati at a meeting, but he urged them not automatically to eliminate prospects affected by the new tax. Instead, he said, let the prospect eliminate himself, if necessary, but only after he has been seen as usual. He advised concentrating the prospects' thoughts on the problems of their wives and children following death of the family head, and on the new estate tax instead of the new income tax.

Mr. McFarlane discussed prospecting methods that work under today's conditions. He outlined and demonstrated with a large pictorial chart the foundation or philosophy under which he works. This chart pictures a large manufacturing concern with railroad sidings coming in on one side representing acquaintances, referred leads and cold canvass. These are the raw materials of his plant which he works through the various processes in the form of the fact-finding interview, presentation interview and closing interview. At the other side is the shipping department from which come his satisfied clients.

In this way he shows the ideal operations of a successful life underwriter who aims to be a real client builder. Mr. McFarlane keeps a small reproduction of this chart on his desk where it is before him all the time, in his efforts to always create the professional impression.

Mr. McFarlane also outlined his five basic prospecting plans, which include close cultivation of personal friends, membership in social and civic activities, careful cultivation of centers of influence, working on key men in large concerns, and being well acquainted with advisers in finance such as trust and tax men, brokers, attorneys, etc. He said it is vitally important in selling executives to be well posted on all subjects related to life insurance.

## Plans Are Made for Savings Bank Line in Connecticut

HARTFORD—The Connecticut mutual savings bank life insurance system, created by the 1941 general assembly, will begin to function on Jan. 1, it was announced following a meeting of the trustees this week. Although the trustees approved a rate schedule, it was not made public following the meeting, although it was announced that the rates would be slightly lower for persons up to 35 years of age, and slightly higher for those above 35, than the New York schedule. Contract provisions and medical standards will follow, in general, those in use by existing life companies, it was announced.

The trustees announced that insurance may be issued for persons from six months of age upwards and set \$100 as the maximum amount for the six months old child; mounting by \$100 a year to a maximum of \$1,000 at the age of 10 years. Children of 15 may obtain \$2,000 insurance.

While five applicants for medical director and a similar number for actuary were interviewed, as well as six applicants for the post of secretary, no appointments were made.

### Warrants for Four Cal. Ex-Agents

LOS ANGELES—Following investigations by the California department, warrants have been issued for four former agents of Postal Union Life whose licenses were cancelled some months ago.

Jackson Harrow had a preliminary hearing at Fresno, Cal., on a felony charge and was held for trial. It is alleged he sold a policy to J. R. Sneden of Big Creek, Cal., pocketed the premium and never reported the case to the home office. C. I. Sullivan is on bail in the same county on a felony charge alleging that he wrote an application for life insurance, collected the premium and made no report.

W. H. Hart now is in jail in the state of Washington on a similar charge. It is expected extradition will be sought to bring him back to California. J. L. Carroll, the fourth man, so far has eluded arrest.



## "Why Have You Come Here?"

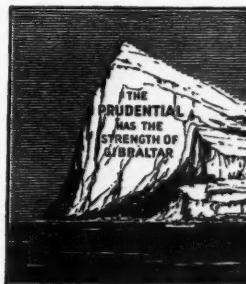
Wide-eyed and bewildered, the little girl pictured above is trying to find an answer for the question just asked by her cousins.

"Why did you come to our house to live?"

She doesn't know, for her mother spares her the details of the tragedy that has overtaken them—the story of her daddy's unexpected passing, before he had arranged adequate life insurance protection for them. All she knows is that they have left the only home she had ever known and mother is away every day now on a mysterious mission called "work".

Little girls in your community should be spared a similar fate.

Seek out their fathers, and help them to prevent it. Your reward will be a gratification that can't be measured in dollars and cents.



**The Prudential**  
Insurance Company of America

Home Office, NEWARK, N. J.

## To Give Football Party for 100 Agents and Ladies



CAMPBELL GREEN

Campbell Green, manager of the Dallas agency of Southwestern Life, will honor all members of his agency and their ladies at a football party at the Cotton Bowl game in Dallas New Year's Day. The agency had produced in excess of \$8,400,000 of new business the first 10 months of this year, surpassing total production for 1940. Mr. Green's purchase of 100 tickets for the game is the largest single block of tickets to be reported there.

## Enright Decision Will Not Affect Insurance Men, Attorney Roy Plaut Asserts

Renewal commissions which may accrue to life insurance men's estates after their deaths need not be considered taxable income in the year of death, despite the opinion of the United States Supreme Court in the Enright case, according to Roy Plaut, New York City attorney specializing in life insurance work. The question was raised recently by Felix U. Levy, Penn Mutual, New York City, prominent member of the Million Dollar Round Table.

Mr. Plaut points out that the Supreme Court's reasoning in the Enright case involved fees of a lawyer, that there was a definite obligation on the part of clients to pay these fees but that life insurance commissions, on the other hand, involve no such obligation on the policyholder's part but are dependent on his remaining alive and also willing to continue making his premium payments.

Order revised edition of "Life Insurance and Federal Tax Laws," prepared by Diamond Life Bulletins. 50c a copy. National Underwriter, 175 W. Jackson Blvd., Chicago.

## Dividend Status of Additional Companies

Those companies which, in addition to those announced in the Nov. 7 edition of THE NATIONAL UNDERWRITER, have deter-

## Equitable Society Promotions Made at Home Office

NEW YORK—William E. Walsh, who as assistant superintendent of Equitable Society's underwriting department had charge of the inspection bureau, has been advanced to superintendent. He succeeds A. C. Webster, who recently resigned to become assistant manager of selection of Mutual Life. B. L. Allen, formerly Mr. Walsh's assistant, succeeds him as assistant superintendent in charge of the inspection bureau.

Appointment of H. B. Steeg as associate superintendent of the group department was also announced.

Mr. Walsh joined the Equitable in 1921 as supervisor in the inspection department. He was later placed in charge of city inspectors and then made chief assistant superintendent in charge of the New York City area. He was placed in charge of the inspection bureau in 1931.

Mr. Allen started with Equitable as a member of the cashiers' training class in Richmond, Va., in 1926. He was later assistant cashier in New Haven, Little Rock and Nashville. He returned to New Haven in 1931 as cashier and was shifted to Buffalo in 1934. The same year he went to the home office as assistant to the head of the inspection bureau.

Mr. Steeg this year completed 40 years with the Equitable and is a group insurance pioneer, though latterly connected with the home office administration department. During the Equitable's establishing of group insurance in 1911 he was one of those who served under Vice-president W. J. Graham. He has aided materially in developing sales technique, accounting and policy forms for group, and in broadening the coverage beyond the purely life aspect.

## Home Life to Increase Premiums on Preferred Whole Life Contract

NEW YORK—Home Life of New York, effective Dec. 20, is changing its settlement options on new policies to a basis more nearly in line with present conditions and is reducing the interest reserve basis on its preferred whole life contract from 3½ percent to 3 percent, which will mean an increase in the gross premium. However, the reserve basis on no contract will be cut below 3 percent. Cash value will be somewhat reduced on the new contracts during the earlier policy years.

## Honor President Parkinson

Agents of the Equitable Society in the metropolitan New York area who qualified in the special production effort for President T. I. Parkinson attended a 60th birthday anniversary luncheon in his honor. Abraham Bleetstein, agency manager, was toastmaster. About 450 were present.

mined their scale of dividends for 1942, are given below, together with dividend scales where reported:

Company	1942 Scale	On Funds Left with Company		
		With-drawable %	Non-With-drawable %	Dividend Accum. %
Aetna. Same as 1941.....			guaranteed rate	3.0
Calif.-West. For old 3½% business, same as 1941			2½% on installment opts.	
Bankers Union, same as 1941.....		3.5	3.5	3.5
Connecticut Mutual. Adjusted scale.....		3.5	3.5	3.25
Fidelity Union. Tentatively no change.....		4.0	3.5	4.25
Guardian, N. Y. Same as 1941.....		guaranteed rate		.
Manufacturers. Same as 1941.....		guaranteed rate		3.5
National, Vt. Same as 1941.....		3.5	3.5	3.5
Northwestern Mutual. Same as 1941.....		..	..	..
New England Mutual. Same as 1941.....		..	..	..
State Mutual. Same as 1941.....		3.5	3.5	3.0
Western, Mont. Same as 1941.....		3.5	3.5	4.0
West Coast Life. *Adjusted.....				

\*Some increases, but decrease for most ages, durations and contracts.

*A Picture of Progress*

## AIDS FOR FIELDMEN AGAIN WIN AWARD

Connecticut Mutual Wins Life Insurance Advertisers Association Award of Excellence

A jury representing the field viewpoint judged Connecticut Mutual advertising tops among the large companies at the recent L. A. A. National Exhibit.

This is the third time Connecticut Mutual's advertising has been so honored.

**Connecticut Mutual**  
Life Insurance Co.

95 years of  
Dependable Performance

## Cancellation Due to Misrepresentation in the Application

The United States circuit court of appeals for the fourth circuit in *Providence Life & Accident vs. Hawley et al., Exrs.*, had before it a question of cancellation of policies due to alleged misrepresentation in the application. The company sought to cancel two policies issued on the same application wherein the assured stated that he was then in good health and that he had not consulted a physician within the previous 10 years. He disclosed that he had undergone a tonsillectomy prior to that period and had once suffered from rheumatic fever but that he had fully recovered.

As a matter of fact during the 10-year period the assured had frequently consulted more than one doctor and had been informed on these consultations that he suffered from rheumatism, high blood pressure, an infection of the intestinal tract and mitral regurgitation which is an insufficiency of the mitral valve of the heart. He was also told within a very short time before he applied for the insurance that an examination of his heart disclosed a leaky valve.

### Arguments of the Defense

The defendants claimed, however, that the company had made certain inquiries as to the insurability of the applicant and that in issuing the policies it did not rely upon the representations made by him and waived any misrepresentations. The reports obtained by the company represented the insured as a robust, active man, they continued. They disclosed that he had received treatment for rheumatism and arthritis but that any such condition was not serious. The company medical examiner recommended him as a first class risk. There was no information which would put the company on inquiry which might have led to a full disclosure of the true facts.

### Holding of the Court

The higher court said that it was necessary to compare the scope and extent of the information contained in the reports with the misrepresentations made by the insured. Knowledge is an essential condition of waiver and the court concluded that the knowledge of the company in this instance was insufficient to support the defendants' claim. The misrepresentation being material, the policies were obtained by fraud and were voidable, the court continued. The fact that a company obtains other information does not deprive it of the protection of this rule, unless such investigation exposes the falsity of the representations or is sufficient to put the company upon inquiry, the court concluded.

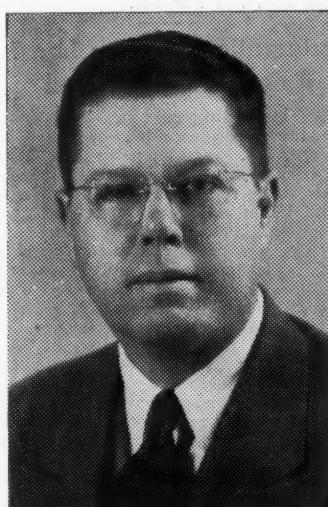
## Question of Petain Annuity Up to British Government

TORONTO—Requests from United States agents of Marshal Petain of France that payments of his annuity with a Canadian company be made to date were passed on directly to British government authorities, according to V. R. Smith, general manager of Confederation Life, which sold the annuity to Marshal Petain several years ago. At the time of the invasion of France, Mr. Smith pointed out, the Confederation Life suspended payment on the Petain annuity, but later turned over the request of the United States agents to British authorities.

"Since the annuity contract is a British one, issued in London, it is subject to the jurisdiction of the British government. The Canadian government has no jurisdiction in the matter and did not deal with it in any way," Mr. Smith said.

## New Kansas City Manager of Bankers Life of Nebraska

Fred G. Bentrup, appointed general agent in Kansas City, Mo., by Bankers Life of Nebraska, has been in life in-



FRED G. BENTRUP

surance since 1923, starting with Continental Life. In 1929 he joined Sun Life of Canada in St. Louis. In 1935 he abandoned the insurance field to become an executive for an oil company, but returned to life insurance in 1938 when he again became associated with Sun Life.

## State Cooperatives Showing Material Gains

Whether one believes in the cooperative system or not, he is impressed with the gains made by the insurance cooperatives. For instance, the Farm Bureau Life, Farm Bureau Mutual Auto, the Farm Bureau Mutual Fire, all of Columbus, O., which are identified with the Ohio Farm Bureau Cooperatives, showed an increase of from 29 to 88 percent in new business for the first 10 months. The Farm Bureau Life reported a net increase of 36 percent in its business in the ten states and District of Columbia in which it operates. The Farm Bureau Mutual Auto's increase was 29.92 percent. The general liability division of the Farm Bureau Auto showed an increase of 57.12 percent. The new premiums of the fire company which operates in Ohio, Pennsylvania and West Virginia showed an increase of 33.33 percent, the highest being in Pennsylvania with 88.83 percent, and the lowest in Ohio, with 16.21 percent.

### L. A. Managers Hear Travenick

LOS ANGELES—Dr. J. Travenick, Jr., medical director of Occidental Life, spoke on "Certain Trends and Principles in Life Insurance Medicine" before the Life Insurance Managers Association of Los Angeles. He reviewed the general improvement in mortality, except for increased deaths due to motor vehicle accidents, which he attributed to increased industrial activity. "In the event of a post-war economic depression, we can expect a decided increase in suicides and coronary deaths," he said. "These conditions are a result of 'pressure periods' and follow definite economic cycles."

In general, he said, the trend of life insurance medicine is favorable, unless changing economic conditions reverse the trend.

### Baun Transferred to Denver

Sam Baun, who joined Guardian Life in Kansas City seven years ago and for the past year has been district manager for southern Missouri, has been transferred to the Denver office as supervisor.

Is  
your prospect's  
program  
complete?  
Offer him  
*Immediate  
Disability!*



\*\*\* LIFE AND RETIREMENT  
PLUS IMMEDIATE DISABILITY

The man who claims his insurance program is complete may be a difficult prospect for more "life" insurance. But he's approachable to the underwriter equipped to offer the Pacific Mutual 5-Way Plan. The 5-Way Plan is unique—in one package the prospect is offered not only life and retirement protection, but also immediate disability protection against sickness, accident, and loss of sight or limbs.

The Pacific Mutual 5-Way Plan gives the underwriter something new and different to offer his prospects. It will justify an interview difficult to secure with life insurance alone. It's the tool that completes his selling kit.

**PACIFIC MUTUAL LIFE INSURANCE COMPANY**  
HOME OFFICE, LOS ANGELES, CALIFORNIA

Complete Life Insurance Coverage  
Life, Retirement, Accident, Sickness and 5-Way • Participating and Non-participating • Mortgage Insurance, Salary Savings, Juvenile Insurance, Salary Continuance, and other Special Forms.

PACIFIC MUTUAL SERVICE SINCE 1868

## Sunstroke Case in Missouri Again Is on Old Issue

Death from sunstroke often comes up as a bugbear in claims. The St. Louis court of appeals reverses the lower court in Elbe vs. John Hancock Mutual. On the fifth day of a heat wave, the insured, a robust and active man of 48 years, repaired a screen door and then painted the bathroom in his home. On the previous day he had worked the entire day at his occupation of automobile mechanic and made no complaint. After finishing his painting he was perspiring so freely that his clothes were wet through and he took a shower and put on dry clothes. He asked for a cool drink and then turned grayish looking, complained of cramps and of a cold clammy feeling. His wife called a doctor who gave him a shot in the arm, administered artificial respiration for 10 minutes and then pronounced him dead.

### Lower Court Decision Reversed

In response to a hypothetical question, one doctor stated that death was caused by sunstroke or heat exhaustion. The attending physician testified that one does not go so fast unless there is some organic disorder. The judgment in the lower court was for the company and the plaintiff complains of an instruction given to the effect that if the insured's death was due to a disease of the heart and to excessive heat and would not have resulted from the latter without the existence of the heart disease, then the plaintiff could not recover. The higher court finds that such instruction was erroneous and in view of prior holdings in this state in similar cases, reverses the judgment and remands the case for a new trial. In this state, the court said, death from sunstroke has been held to be accidental. This suit was brought up because the policy contained a double indemnity clause.

### Company Wins in Issue Over Double Indemnity

The North Carolina supreme court affirms the lower court in Fletcher, admx., vs. Security Life & Trust. The insured consented to an operation for gall bladder trouble and a spinal anesthesia was administered. The anesthesia affected his respiratory system and caused death. The policy under which plaintiff seeks to recover double indemnity provided that such indemnity would be paid in the event of the death of the insured through external, violent and accidental means where there is a visible wound on the exterior of the body.

The court distinguishes the terms "accidental death" and "accidental means" and concludes that the insurance here was against "accidental means." The means which caused death, said the court, was the spinal anesthesia and the administration thereof was not accidental. It was only the unexpected result which could be termed accidental. Under the policy terms, the higher court held, there is no coverage.

### Davenport Managers Meet

The General Agents & Managers Association of Davenport, Ia., heard Dan Hatch, supervisor Phoenix Mutual Life, talk on recruiting with the assistance of the aptitude test. The next month's meeting will be given over to discussing quality business.

George C. Stahl, veteran Toledo, O., insurance man, celebrated his 95th birthday Nov. 21. He went there in 1873 with the Toledo Mutual Life and a year later became head of the G. C. Stahl Co., writing general insurance lines. He was active head of the company until 1934. His son, George S., is now in charge.

## Law Library Books Difficult to Select

Because attorneys for insurance companies are confronted with such a wide range of problems, the selection of a completely adequate library for them is out of the question in most cases, Lelia E. Thompson, attorney Connecticut Mutual Life, stated before the insurance group at the Special Libraries Association convention at Hartford. Limitations of space and funds to be allocated to such libraries make it essential that a selection of books be made covering the problems that arise with the greatest frequency, she said.

The first consideration of an insurance librarian in supplying attorneys should be with the statutes of all the states in which the company does business. Because of the tremendous volume of legislation that is turned out every year by state legislatures as well as by Congress, it is a real task to keep these statutes up to date. Every year, the insurance librarian should make a review of the statutory equipment with a representative of a reputable publishing house to make sure that each state is up to date.

### Court Decisions Vital

It is very desirable to have court decisions available at the company's office, Miss Thompson said. Because they occupy a tremendous amount of space, it may not be possible to house a whole series, but it is necessary to find room at least for the set which covers the state in which the company is located. In cases where the legal department is made accessible to the employee, there will inevitably be a number of cases in which references to local decisions are called for. In cases where it is not possible to have the reports of court decisions in the different states, there is a key number digest system published which is tied up through an indexing system with a court reporting series. These digests cover all the cases in the higher courts and through the use of them, the attorney can cull out cases having a bearing on his questions. If necessary he can then go to some library outside in which the full report of the decision can be found.

### General Summaries Useful

The insurance attorney can hardly hope to keep wholly away from the outlying fields of law such as that of torts occasioned by the negligence of agents or the defective condition of premises owned by the company. Sets of books containing general summaries of the law, therefore, are extremely useful, Miss Thompson said. Books which deal with insurance law particularly are also needed.

The insurance librarian must have an understanding of the everyday problems of the legal department in order to select text books which will be of real value. The legal department's work generally centers around the problems arising from the contract, including the preparation of claims, deferred settlements, changes of beneficiary, transfers of policies, problems arising from agency relations, investment problems, and matters of taxation as they affect the company and the policyholder. In connection with claim work, supplementary textbooks dealing with matters of procedure, evidence, the law of contracts and conflict of laws are very desirable. Lawyers handling claims often have use for textbooks of medicine.

### Loans Cause Trouble

For many years, insurance companies were having problems because of their farm loans, Miss Thompson said. Now the companies are making many loans in urban districts as well. In this connection, some work on bankruptcy is essential in the library. Textbooks on real property, mortgages, chattel mortgages, and conditional sales are also useful.

For the lawyer who is handling tax

problems every day, one of the reputable tax services is a necessity. These cover the various phases of federal and local taxation and publish other services covering current legal developments, which may touch the insurance company more or less closely, such as labor law, war law, etc.

## Automatic Premium Loan and Reserve Exhausted

An interesting case has been decided by the Georgia court of appeals in Cooper vs. Woodmen of the World. Claiming that his contract had been wrongfully repudiated, the policy owner brought an action to recover all premiums paid, plus interest, from the time of each payment. The benefit involved provided that after 36 monthly payments had been made, if the assured should thereafter default, the W. O. W. would automatically advance premium loans until such time as the amount of the outstanding indebtedness should equal the cash value. The W. O. W. made such advancements until the cash value was exhausted and thereafter, on inquiry made by the assured, advised him that his certificate had lapsed.

The Georgia court of appeals declared that by undertaking to make such advancements, the W. O. W. impliedly

## Convention Dates

- Dec. 10—Institute of Life Insurance, New York City, Waldorf-Astoria.
- Dec. 11-12, Life Presidents Association, New York, Waldorf-Astoria.
- Dec. 29—American Association of University Teachers of Insurance, New York City, Biltmore Hotel.

contracted to notify the assured a reasonable time before the certificate would lapse in order to give him an opportunity to resume payments and keep the certificate in force. The fact that an agent had told the insured when the advancements were first made that the reserve was sufficient to continue his insurance for approximately three years was insufficient to satisfy the definite notice required. The W. O. W. alone had the facts and records from which to compute the amount available for loans and the time when such amount would be exhausted, the court held. The W. O. W. claims that it was entitled to deduct from the amount of damages allowed, i. e., the amount of premium paid, plus interest, an amount included in the premium which was allocated to local camp dues, was refuted, the payment of such amount being essential to keep the policy in force.

## Forty-Eighth Year of Dependable Service

The State Life Insurance Company of Indianapolis, Indiana . . .

Is a Mutual Legal Reserve Company Founded 1894 . . . .

Has Paid \$133,000,000 to Policyholders and Beneficiaries . . .

Holds Assets of over \$54,000,000 for their benefit . . . .

Issues Policies from Ages One Day to Sixty-Five Years . . .

Issues Policies on Male and Female Lives at the Same Rates .

Issues Policies with Double Indemnity and Disability Benefits .

Issues Juvenile, Educational Fund, and Family Income Policies.

Issues Salary Continuance and Retirement Income Policies .

Issues Many Other Standard and Up-to-date Policy Forms .

Offers Agency Opportunities and Training for Those Qualified.

## THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

November 28, 1941

## LIFE INSURANCE EDITION

9

**Perrin Reviews Pension Trust Plans**

(CONTINUED FROM PAGE 2)

should expressly provide that there is no responsibility upon the life insurance company to see to the proper discharge of the trust. Perhaps we should go further than this by requiring a statement from the agent to the effect that he has made no representations to employer or employee regarding tax exemptions."

The various advantages to the purchaser, in Mr. Perrin's opinion, indicate at least a temporary demand for pension trusts "and there is reason to believe that the demand will continue indefinitely or at least so long as the social consciousness of employers continues to grow."

**Use of Individual Contract**

In considering how far the companies issuing individual contracts should go in accepting pension trusts, he said that generally speaking, the types of contracts issued by individual contract companies are adaptable for use in these trusts but more so for employees in the upper income brackets. They are not as adaptable for employees in the lower brackets because the increases or decreases in salary are not sufficient to justify the issue of new policies or the rewriting of policies to cover such increases or decreases. He considers group annuities more suitable for that purpose, "and although a group annuity plan in one company, supplemented by a program involving the purchase of regular life insurance and annuity contracts in another company, may not be a practicable arrangement in all cases, it is sufficiently meritorious to justify the cooperation of a group annuity company with an individual contract company along these lines."

The individual contract company will find that many pension trusts require the issue of a large proportion of annuities and short term endowments and include more than the normal proportion of business on ages over, say, 50. This seems to go contrary to the type of business which life insurance companies most desire to secure under prevailing conditions. However, he said the properly selected pension trust should have a favorable lapse ratio and less of a turnover in the upper income brackets than in the lower. There may be relatively few policy loans under policies in a pension trust and the "servicing" of such policies by the company and the agency representatives may require less attention than regular individual policies. Such features, however, are likely to be more characteristic of this business in normal than abnormal times.

**Providing for Accrued Liabilities**

Some companies, like his own, Mr. Perrin said, do not issue any endowments on the single premium plan, which makes the problem of providing for accrued liabilities more difficult; annuities are limited in amount to \$50,000 from one pocket book, and a limit may be found to be desirable on the total amount of yearly premiums. He found no sound reason for making exceptions in favor of pension trusts. Even to the degree that such practices permit the issue of pension trusts, he said the company should be safeguarded in the trust instrument itself by providing for the issue of new policies to cover salary increases on policy forms which have been revised and are currently available, as against forms which have been superseded. In connection with the issue of new policies for salary increases, he pointed out that unless a limit is placed on the number of such additional policies, such as none to be issued beyond age 50, the effect would be practically equivalent to basing the pension on the final salary of the employee, which has come to be regarded as an undesirable feature of pension funds. Furthermore, the purchase of insurance and annuity policies does not constitute a legal trust investment in most states so that they

could, generally speaking, be used to provide pensions only in case the trust instrument specifically states that they may be so employed.

**Limitations Are Unavoidable**

Even from the agency point of view the regulations previously mentioned increase the difficulty of applying the pension trust plan to cases where it is necessary to provide for accrued liabilities or where the ages of the group fall largely in the younger age range. However, he commented, such limiting of the types of individual contracts available for pension trusts seems to be unavoidable under prevailing conditions.

In conclusion, he raised several pertinent and difficult questions, including:

"In view of limitations on the available types of individual contracts necessitated by prevailing conditions, do pension trusts on individual contracts offer a satisfactory field for agency development?"

**Question of Investment Burden**

"Can the issue of pension trust business be encouraged without increasing unduly the investment burden which already seems to be sufficiently heavy—and how?"

"Finally and fundamentally, should the solicitation of such business be encouraged in the case of life insurance companies which have not made or are not yet permitted by the laws of the state of their domicile to make satisfactory adjustments in premiums and reserves to take into account the downward trend in interest earnings?"

**Illinois Association Has New Monthly Organ**

Vol. 1, No. 1, of the monthly "Bulletin" of the Illinois State Association of Life Underwriters has come off the press. It is a mimeographed six-page letter-size publication on blue paper, prepared by Helen C. Dwyer, executive secretary. Most of the first issue is taken up with the activities of local associations, in chatty vein. The deadline is the 10th of each month and publication date the 15th.

With the bulletin is distributed the monthly "Life-Notes" of the Peoria association, which announced it would hold its annual dinner meeting and stag party Dec. 12. F. Erle Cavette is association president. J. B. Scott, president general agents and managers division, has comment in the publication on his division's party honoring F. J. Manning, former Metropolitan manager in Peoria, who went to that city especially for the event and was presented a silver engraved plaque in behalf of the division by L. O. Schriver, general agent Aetna Life. The division is skipping the December meeting but will hold a meeting late in January.

**Houston Life Insurance Week Is Under Way**

HOUSTON—The army of today is the best the country ever had, according to Major General Richard Donovan, commanding officer of the Eighth Corps Area, San Antonio, who addressed the policyholders' luncheon of the Houston Association of Life Underwriters.

More than 500 life insurance people and their guests, together with the commanding officers of Ellington Field, Camp Wallace, Camp Hulen and Fort Crockett, attended the luncheon and heard President Roy Cox deliver the annual message.

During the remainder of Life Insurance Week in Houston the message will be brought out through newspapers, editorials, show window displays, radio announcements and by the issuance of a special edition of "Magazine Houston," the official organ of the Houston Chamber of Commerce.

**WE ARE BUILDING FUTURES**

We have just set up an Agency Division in which the entire staff, headed by an Agency Vice President, came from our own ranks.

The seven men who comprise this staff have a total combined service of 134 years with this company.

No one of them ever worked for any other insurance company.

Every one of them has worked as an Agent in the field.

This tells the story better than any other way we know of how Shield Men are building futures.

*The*  
**NATIONAL LIFE  
AND ACCIDENT  
Insurance Company, Inc.**

C. A. CRAIG, Chairman of the Board

C. R. CLEMENTS, President



HOME OFFICE

NATIONAL BLDG.

NASHVILLE

TENNESSEE

## Group Plan Provides for Paid-Up Values

(CONTINUED FROM PAGE 1)

it was necessary to increase the E.B.A.'s life insurance reserves. At that time, the trustees voted to increase the contributions of employee-members. At the same time the Harvester Company agreed to increase its E.B.A. contribution from a flat sum of \$50,000 a year to a guaranteed 20 percent of employee contributions. Even then, it was the feeling of the trustees that the E.B.A. plan was costing members more than was desirable, considering the kind of insurance that the E.B.A. offered.

### Tax Problems Presented

Then last April there was a ruling of the Treasury Department that the company's increased contributions to the E.B.A. deprived it of tax exemption. This has led the federal government to claim and assess about \$2,500,000 in taxes for the years since the contribution was increased. The trustees have asked Congress to relieve the E.B.A. from this tax.

Because of the tax situation the company cannot continue its E.B.A. contributions as in the past, for to do so would not help the E.B.A. and would only result in large taxes being siphoned off from E.B.A. funds. The only practical way the company can continue to help employees with their insurance is for the old E.B.A. plan to be abandoned and replaced by a group life insurance plan.

The trustees decided to continue the E.B.A. to provide sickness and accident and hospitalization benefits only. As to the life insurance activities of the E.B.A., the trustees asked the Harvester Company to study the possibility of having them taken over by a regular life insurance company.

The company then made an intensive study of the problem and called on most of the major life companies for suggestions and advice. As a result, the company considered the proposal made by Aetna Life to be the best from the standpoint of employees and, therefore, was willing to increase the company's financial support and join with the Aetna in offering the new group plan.

### Remainder of E.B.A. Funds

There has been set aside money out of E.B.A. funds as reserves for the sickness and accident benefits; to meet the government's tax claim; and to meet the claims of the present death benefit only members.

All other funds of the E.B.A., about \$6,000,000, plus whatever may be saved from the tax claim will be used to buy paid-up insurance for present E.B.A. members, including members on lay-off or absent in service with the armed forces. The amount of paid-up insurance a member gets will depend upon how old he is and upon his share in the assets of the E.B.A.

This paid-up insurance belongs to the employee, regardless of whether or not he stays in the service of the Harvester Company.

Each employee's entire contribution for life insurance under the group plan will be used to buy more paid-up insurance for him, so that the amount of paid-up insurance he owns will steadily increase.

The Harvester Company, entirely at its own expense, will buy for each employee joining the group plan enough term insurance to make up the difference between the paid-up insurance he owns and the total insurance coverage provided for him under the policy. This term insurance stops if the employee leaves the company, but the stopping of the term insurance has no effect upon his paid-up insurance.

Estimates indicate that the cost to the company will at all times be much larger than its present E.B.A. contribution.

The new group plan has three different earnings classes by which it determines how much is contributed. The amount of life insurance available in these classes will be \$1,040, \$1,560 and

\$2,080. No E.B.A. member will have his present amount of life insurance reduced.

Under the E.B.A. plan, death benefits are not paid if workmen's compensation is payable. Under the group plan, life insurance will be paid even in workmen's compensation cases.

At present a regular E.B.A. member with \$2,080 life insurance and \$20 weekly disability benefits pays 90 cents a week as his contribution for these benefits, plus an optional 2 cents for double indemnity. Under the group plan his payment will be the same—90 cents, with no double indemnity cost. Of that amount, 60 cents will go to the life insurance company for paid-up insurance and 30 cents will go to the E.B.A. for disability insurance. Contributions of other earnings classes will be in proportion.

Under the present E.B.A. a member may obtain extra death benefits ranging from \$780 to \$2,080 if death is due to a non-worktime accident. E.B.A. members now pay 2 cents extra a week for this added protection.

Under the group plan, all members will be protected by an extra \$1,000 in case of death from a non-worktime accident. This extra protection will be paid for by the company.

Under the present E.B.A. plan, a member who leaves the service of the company after five years of membership may continue to carry his insurance as a death benefit only member by paying \$24 a year per \$1,000. Under the group plan, any employee who leaves the company, regardless of his length of membership, keeps his paid-up insurance, or he can surrender it in exchange for a cash amount which will never be less than his total contributions to the group plan.

The company will not carry term insurance for him after he leaves the service, but the employee has the right, within 31 days, to obtain the same amount of insurance in some other type of policy, by paying the premium for his time.

### Three Earnings Classes

Under the group plan the company guarantees to pay for at least five years:

The entire cost of term insurance and accidental death benefits for every employee who joins the plan; all expenses connected with the operation of the group plan, except the administrative costs of Aetna Life, contributions to the hospitalization plan equal to 20 percent of employees' contributions; the entire medical, clerical and administration expenses of the E.B.A. in continuing to operate the sickness, accident and hospitalization benefit plans.

It is estimated that under the group plan, the total cost to the company will be about \$760,000 a year, as compared with approximately \$491,000 a year under the old plan.

It is possible that the adoption of the new group plan before the end of this year might save the E.B.A. hundreds of thousands of dollars in income taxes. If that money is not taken away for income taxes, it will go to increase the amount of paid-up insurance for E.B.A. members.

If a 40-year old employee contributes \$31.20 a year the amount of paid-up insurance he buys in a five year period would be \$305.76.

This would belong to him without further payment. If this same employee had \$100 of E.B.A. assets applied for his benefit in 1942 to purchase paid-up insurance, he would have an additional \$204 of paid-up life insurance.

The employee cannot receive a cash value for his paid up insurance while he is in active service; only when he retires or leaves the company or after he has been on layoff or absent on account of illness for more than a year.

If an employee stops contributing to the plan while still in the service, his paidup insurance remains in force, but

he will not be covered for term insurance or accidental death benefits.

At entry age 45 and under the employee contribution is at the rate of about 28.85 cents per thousand per week.

be held the afternoon or evening of the opening day of the annual meeting in New York.

### Boston Actuaries Meet Dec. 3

BOSTON—The Actuaries Club of Boston, with Stuart F. Conrod as chairman, will meet Dec. 3 and will discuss the model bills suggested by the Guertin committee; statutory requirements for valuation of non-cancellable accident and health policies; practical steps to revise compensation to alleviate the results of a recent ruling that vested renewal interest of a deceased general agent is taxable as income during the year of death, and the basis of premium rates now in use and changes contemplated with regard to various forms of policies.

### Numerous War Bureau Cases

There are numerous suits brought against the U. S. A. war risk insurance department so that even the federal government is not immune from disagreement, especially as to disability benefits, but other claims are made which the War Risk Bureau refuses to meet. The War Risk Bureau is confronted with the same controversy as to claims as are the private companies.



## A POPULAR FAVORITE

**A Minnesota Mutual plan growing in popularity is the Pay Roll Deduction Plan (now operating in over 600 firms) with advantages not found in other salary savings plans. An arrangement mutually attractive to employer, employee and agent.**

**Look over these ADDITIONAL ADVANTAGES enjoyed by our Field Force:**

1. A liberal agency contract
2. A plan for financing your agency
3. Accounting methods to guide you
4. Proven plans for finding—training agents
5. A liberal financing plan for your agents
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7. Organized Selling Plan
8. Unusually effective selling equipment
9. Policies for every purpose: Regular — Family — Juvenile — Women — Group — Payroll-Savings, Social Security, etc.
10. Low monthly premiums

**A \$248,000,000 Mutual Company, 61 years old, with an understanding, cooperative Home Office**

**THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY**

Saint Paul, Minnesota

November 28, 1941

## LIFE INSURANCE EDITION

11

**Metropolitan's Important Changes**

(CONTINUED FROM PAGE 1)

cash value after premiums have been paid for 15 years, whereas under current policies the full reserve is not available until premiums have been paid for 20 years.

**Change in Settlements**

The guaranteed rate of interest on funds left with the company under the various optional modes of settlement included in ordinary policies has been reduced to 2 percent under the interest option and  $2\frac{1}{4}$  percent under other options. The guaranteed interest rate to be paid on dividends left with the company to accumulate will be 2 percent. This is another effect of lower interest rates. The company states that every effort has been made to simplify the language of both ordinary and industrial policies. The company also announced that a number of new plans of insurance are being introduced. Among these is the double protection to age 65 policy which will be available in both the ordinary and industrial departments. This policy is so called because the amount of insurance payable if death occurs before age 65 is double the amount payable if death occurs after 65. The policy becomes paid-up at age 65. The minimum amount offered under these ordinary policies will be \$2,000 prior to age 65 and \$1,000 thereafter.

The company is also introducing a family income policy in place of the family protection policy currently issued. This policy will provide an income to the designated beneficiary of \$10 a month for each \$1,000 of the face amount of insurance in case of death during the first 20 years after issue of the policy, which will continue for the balance of the 20 years following issue; at the 20th anniversary of the date of issue of the policy a lump sum equal to the face amount of insurance is payable. If death occurs after the 20th anniversary of the policy, the face amount of insurance only is payable in one sum. Premiums are reduced on the 20th anniversary of the date of issue.

**Stress Protection Element**

Both the double protection to age 65 and the family income policies are plans which emphasize the protection element, the announcement said. Furthermore, the company is featuring plans of insurance which mature or become paid-up at age 65 and thus provide a ready means of fitting individual insurance with the federal social security plan and personal retirement plan benefits.

The company also announced the discontinuance of the 5, 10 and 15 payment life policies, the 5, 10 and 15 year endowment policies and the retirement income maturing at age 55. The company explained that inasmuch as these policies involved a relatively large investment element and in view of the low interest yield obtainable, these plans could not be offered on a basis which the company believed the insuring public would find attractive. It was also stated that since intermediate and special class policies will be available in the ordinary department for amount of \$750, monthly premium industrial policies for amounts of \$600, \$700 and \$800 will not be issued on the new series of policy forms.

Among the other changes are: The rates for individual annuity contracts are being increased. The underwriting rules and limits in both the ordinary and industrial departments are being liberalized in a number of respects. In connection with industrial policies, the benefit in event of loss of eyesight or limbs has been liberalized to provide a benefit for the loss by severance of one hand or one foot. The cash benefit in event of such loss will be one-half of the amount of insurance. Likewise, in event of loss of two limbs or loss of sight of both eyes, the cash benefit will be increased from one-half the amount of insurance to the full amount of insurance. Under either type of loss, irrespective of whether the cash benefit is one-half the

amount of insurance or the full amount of insurance, the full amount of the policy will be continued in force without payment of future premiums.

**THOROUGH APPROACH**

Metropolitan seemingly desires to reconstruct its entire dividend, reserve and premium set-up. The management undoubtedly decided that this thorough going approach would produce smoother and more equitable results in the long run. A mutual company, in order to maintain an increase of dividends to policyholders with duration must have a very comfortable initial rate and that may have been a consideration in the minds of Metropolitan executives.

**Change in Table Interesting**

Also the change of Metropolitan from the American Experience to the American Men table is interesting. With dividends tied to the American Experience table, some awkward conditions arise in some of the dividend formulae. For instance, at the younger ages when the American Experience table is so highly loaded, and where the interest factor is not important, a dividend formula applied mathematically might produce disproportionately high returns to the policyholder whereas at the older ages, where the American Experience table is not so far from the mark, and where the interest factor is highly important, the dividend return is depressed. Use of the American Men table may correct these distortions to a considerable extent.

**Sample of New Rates**

Unofficially some samples of the new rates of Metropolitan have been published. For instance, at age 40 the new rate for the whole life contract is \$28.79 as compared with \$26.61. The new rate for paid up at 85 is \$32.58 and the old is \$30.04. For 20 year endowment the new rate is \$53.57 and the old rate \$50.13. For 20 pay life the new rate is \$43.58 and the old rate \$39.22. It is interesting to compare these rates with those of another one of the giant companies in New York, Equitable Society. The rate for 20 pay life at age 40 in Equitable Society is \$42.79, which is lower than the new Metropolitan scale and the 20 year endowment rate of Equitable is \$54.06, which is somewhat higher than the Metropolitan rate.

None of the Hartford life companies, stock or mutual, has any present intention of increasing rates or decreasing the interest factor in reserve calculations, according to the Hartford newspapers. Some of the non-par companies in Hartford have made rate increases in the past, but they have no intention of making new increases at this time and the mutual companies would take care of any exigencies that might arise for the time being through dividend adjustments.

Equitable Society, Mutual Life and New York Life have been quoted as stating that they do not contemplate making rate increases at this time.

President George Willard Smith of New England Mutual Life was queried as to whether his company intends to increase rates or go on a  $2\frac{1}{4}$  percent reserve basis. He stated that the question has been under consideration but that there is nothing to announce yet.

**Radio Contract Cancelled**

Following a protest by Commissioner Caminetti of California, radio station XELO of Tijuana, Mexico, has notified him that it has cancelled the advertising contract of Sterling of Chicago "until the company qualifies" to enter California. The commissioner complained that the advertising was directed to residents of California.

**Verdict for Company Bears on Missouri Suicide Law**

A case bearing on the so-called suicide statute in Missouri was cited at a meeting of the Chicago Life Lawyers Club by Paul E. Keller, counsel for the Benefit Association of Railway Employees. Mr. Keller pointed out that this statute had cost life and accident companies hundreds of thousands of dollars. In a case of McReynolds vs. New York Life, decided by the eighth U. S. circuit court of appeals, the company specified in its policy that no liability under the double indemnity provision would be payable if death were caused by taking poison or inhalation of gas whether voluntary or otherwise. The beneficiary plaintiff alleged in a complaint that the insured met his death by reason of self-administered carbon monoxide gas while insane.

The court held that the company was not liable, even though previous court opinions had held: (1) That a similar policy exception was invalid because of the suicide statute, and (2) that such a policy exception was valid so as to reduce the indemnity to 1/5 of the amount otherwise payable.

It is conceivable, the court said, that the supreme court of Missouri when the exact question of the case under consideration comes before it, may reach a dif-

ferent conclusion as to the effect of the Missouri suicide statute.

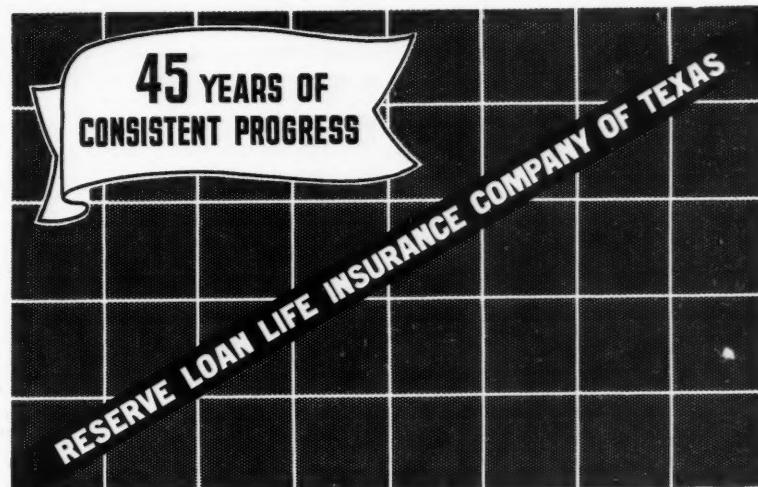
The court pointed out that in Brunswick vs. Standard Accident the Missouri supreme court stated that while the suicide statute makes "absolutely void all stipulations exempting liability on account of suicide and all defenses bottomed on the facts of suicide, yet it nowhere relieves the plaintiff, in an action upon a policy of accident insurance, from making proof that the death of the assured was caused by an accident." The section does not write into an accident policy a cause of action where none existed upon the facts.

**Aid Buffalo Stamp Drive**

**BUFFALO**—In the "Defense Stamp Week" campaign here more than 550 life insurance men donated their time to help make the drive a success. Each underwriter agreed to devote at least two hours of his time to canvass stores to get them to sell stamps. Louis J. Teall was chairman of the life insurance committee.

**Snow Agency in New Office**

The Tower C. Snow agency of the Penn Mutual Life in Buffalo, N. Y., has moved from the Stock Exchange building to the Liberty Bank building.



## Dedicated to Service and Protection FOR POLICYHOLDERS AND AGENTS ALIKE...

During the past 45 years—through good times and bad times—Reserve Loan Life has steadily marched forward to its present high position. Sound, conservative management serves agents and policyholders alike. It has earned an enviable reputation for fair dealing—friendly co-operation.

This strong, progressive company offers you modern underwriting with liberal commissions—an opportunity for lasting, profitable relations. Your correspondence invited.

Now Available  
A Few Attractive Texas Territories

**WE WRITE  
SURPLUS LINES  
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Full Commissions  
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**RESERVE LOAN LIFE INSURANCE  
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## EDITORIAL COMMENT

### Reaction to Reserve Basis Changes

ANNOUNCEMENTS, official and unofficial, of shifts to lower reserve assumptions and consequent increases in gross premiums have produced some reactions among the public that agents will be called on to explain. The first and most easily handled is the tendency of the public to believe that the changes affect existing policies or those which will be issued before the change goes into effect. For example, the news release of Metropolitan Life, the first company to come out with a public announcement, on its change on Jan. 1 to a 2% percent basis, made it perfectly clear that the new reserve basis would affect only policies issued after Jan. 1, 1942. The release also stated that "the increase in premium rates in the ordinary department will average slightly less than 10 percent."

Nevertheless, even so accurate and unsensational a paper as the New York "Times" in its front page story ran the two-column headline, "10 Percent Rise in Life Insurance Costs Forecast as Reserve Basis Is Cut." In the fifth paragraph the "Times" story stated that policies now in force or to be issued before Jan. 1, 1942, will not be affected by the change but many headline readers deluged their agents with anxious telephone calls, fearing that existing premiums would be raised, as the "Times" story indicated that similar action was to be expected from virtually all other companies.

While it is a simple and pleasant job for an agent to assure a bewildered policyholder that his contract could not possibly be changed except to the policyholder's advantage a number of more analytically minded insured have wondered why the companies, if they feel they can no longer safely accept the business on a 3 percent reserve basis, do not guard their intentions more closely and avoid insofar as possible selling an excessive amount of business on the present basis. The answer to this criticism is not quite so simple but it is just as valid.

First of all, the insured needs to get the proper perspective on the long range operations which are characteristic of the life insurance business as compared with other businesses. A life company applies the law of average not only to mortality and investments in any given year but also over a long span of years. Since policyholders are buying insurance presumably for the long pull it is more important to fix rates and other pro-

visions on a basis that will be substantially correct for a reasonably long period into the future than to make sure that the most accurate rates and provisions are arrived at for each individual year.

Furthermore an essential characteristic of the life insurance business is its stability. It would do neither the public or the life insurance business any good if rates were changed every year with the result that many prospects would be waiting to buy when they could get their insurance at the biggest bargain.

The fact that life insurance is a business of long-term swings rather than day-to-day fluctuations explains why the companies have been able to wait as long as this before shifting to lower interest assumptions, even though they have been observing the downward trend of interest rates for the last decade. Incidentally, it should not be forgotten either that the cost of changing to a new reserve basis is considerable not alone in money but in the upsetting effect on a field force which is accustomed to work familiarly with the existing basis.

Policyholders who wonder why the companies are willing to give their agents and the public any notice at all of the impending changes should remember that because of the long-term basis of a life company's operations it makes little difference whether the change is made on any particular date and no significance other than the existence of competition should be attached to the fact that a number of companies will probably make their changes effective Jan. 1, 1942. Again because of this long term basis, the fact that the public and the agents have a period of more than a month in which to get under the wire means very little.

In view of the ample margins of safety with which life companies operate it can be assumed that if any company had felt that on Jan. 1, 1942, it would be compelled for reasons of safety to change to a higher reserve basis it would have done so years ago. Conversely it can be assumed that the companies could continue on their present basis for quite a long time without doing anything that could be called risky. Hence, no conceivable amount of extra business between now and Jan. 1 could possibly load up a company to an undesirable extent with business on the present basis.

Giving the public and the field forces

reasonable notice is only playing fair with them. Lack of such notice might produce a bad reaction among the public and certainly would not make the agency forces too happy. As a practical matter, even though a big volume of production is rolled up life insurance still has to be sold and there are not enough agents to run the sales for the remainder of the year up to any fantastic figure.

Back in the middle of 1930, when many companies cut down drastically on the liberality of disability provisions and raised rates, agents had considerably longer advance notice of what was going to happen than they have in the case of changes in reserve basis. While there was a substantial bulge in pro-

duction before the disability changes went into effect it was by no means tremendous and the policyholder who bought before the change had a great deal more to gain than in the present situation.

The rush to get under the barrier before Jan. 1 should be considerably lessened by the fact that conscientious agents and shrewd buyers will realize that the higher gross premiums on the new basis do not mean a corresponding increase in the net premiums in the case of participating business for considerations of equity will demand that the costs to old and to new policyholders be equalized as far as possible in the allocation of dividends. These changes are carefully considered in fairness to all.

## PERSONAL SIDE OF THE BUSINESS

**H. P. Skoglund**, president, and **Bert Odell**, vice-president North American Life & Casualty, showed their prowess as hunters by bringing home 100 pheasants, 51 ducks, two geese and two jackrabbits on their return from a hunting expedition in South Dakota.

**Arthur Hustad**, associate manager of the White & Odell agency of Northwestern National Life, and **Tom von Kuster**, insurance manager of David C. Bell Investment Co., have been named official "city greeters" by Mayor Kline of Minneapolis.

**H. M. Faser**, agency director of Lamar Life, recently addressed the Meridian, Miss., Rotary Club on life insurance.

**Prewitt B. Turner**, general agent Home Life, Kansas City, has been elected first vice-president of the University Club there.

**John A. Stevenson**, president of Penn Mutual Life, was the principal speaker at a gathering of 4,000 civilian workers at the Philadelphia navy yard, sixth of a series of noonday rallies to stimulate the workers in competition with other navy yards. Mr. Stevenson said the American workers constitute the greatest defense army the world has ever seen.

**W. Clyde Jennings**, president of All States Life, was severely injured when the car in which he and Mrs. Jennings were riding was struck by another machine at an intersection. Mrs. Jennings received painful cuts and bruises and Mr. Jennings suffered a dislocated hip and a slight fracture. Both are confined to a hospital. While it may be some time before they are able to be out they are improving steadily.

**Charles N. Cutter**, Nashua, N. H., general agent of Union Mutual Life of Portland, Me., has been appointed chairman of Nashua's civilian defense program. Carleton G. Lane, manager of the Union Mutual investment department, has been named to head a similar program for civilian defense in Portland.

First producer to qualify for the 55th anniversary convention of Provident Life & Accident is **Edwin O. Martin**, manager of the home office life agency, who led the life field force in September and October to reach this goal in just three months. The homecoming con-

vention is to be held Sept. 9-12, 1942, at Lookout Mountain Hotel. Mr. Martin has qualified for all Provident agency conventions since joining the company upon graduation from the University of Chattanooga and since 1935 has served as secretary-treasurer of the honor agency organization.

**John A. Wilson** this month celebrates 40 years of service with Metropolitan Life in Canada. He is manager of the ordinary department. He was one of the group that went to Ottawa from New York when the Canadian head office was opened there. He assumed his present post in 1930.

Now that he is president of National Association of Life Underwriters **John A. Witherspoon**'s past continues to catch up with him. Now comes Ripley with the discovery that John Witherspoon I, signer of the Declaration of Independence and president of Princeton University when it was the College of New Jersey, was the inventor of the term "Americanism." Dr. John Witherspoon II, President Witherspoon's father, aside from innumerable lesser honors, headed the American Medical Association. Incidentally John Witherspoon IV, aged 10, is said to play a mean half back on a Nashville elementary school football team.

**George L. Harrison**, president of New York Life, has become chairman of the finance group of the Greater New York Committee for the Sale of Defense Bonds and Stamps. **Lewis W. Douglas**, president of Mutual Life, is chairman of the committee.

A number of life insurance executives and officials attended the wedding of Miss Ruth Young, daughter of **Phil G. Young**, manager of the Golden Gate agency of Metropolitan Life in San Francisco.

**Earl E. Smith**, educational director of Equitable Life of Iowa, has been elected president of the Des Moines Kiwanis Club.

The marriage of Miss Elizabeth Ann Lounsbury, daughter of **R. R. Lounsbury**, president of the Bankers National Life, to Ensign John D. Brundage, East Orange, N. J., will take place Friday in St. Andrew's Episcopal Church, South

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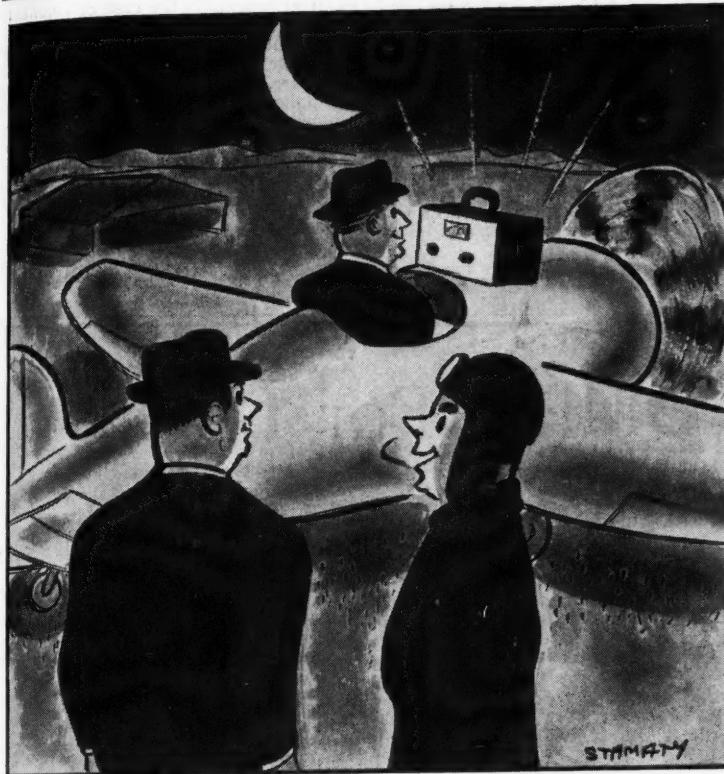
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November 28, 1941

## LIFE INSURANCE EDITION

13



"He's the first one to get to the Pot O' Gold winners!"

Orange, N. J. Miss Lounsbury attended Miss Beard's School and Smith College. Mr. Brundage graduated from Princeton and received his commission on the U. S. S. Prairie State.

**Marmaduke Corbyn**, Oklahoma general agent of Occidental Life, has been elected president of the Oklahoma City Kiwanis Club.

**S. B. Cummings** of Pittsburgh was honored for 25 years of service with Reliance Life at meeting of the Western Pennsylvania agency. He was presented a gold service medallion by Vice-president L. P. Gregory. He was also guest of honor at a luncheon given by Manager N. H. Weidner for 45 western Pennsylvania veterans and newer representatives who qualified for the October honor roll.

**W. M. Houze**, general agent of John Hancock Mutual Life in Chicago, will be host Dec. 10 at his annual dinner in the Union League Club there. The occasion will be an observance of his 38th anniversary with the company and his 57th birthday. These annual affairs draw a large attendance of friends and associates in Chicago, and usually there are present some John Hancock home office officials and general agents from other cities.

## DEATHS

**John M. Miller, III**, 51, vice-president of Union Life of Richmond, Va., in charge of investments, died of a heart attack at his home. He was born in Lynchburg, Va., in 1890. At the time of his death he was chairman of the First & Merchants National Bank of Richmond as well as being vice-president of Union Life.

**James M. Dalbey**, manager of Mutual Life of New York in Pittsburgh from 1903 until his retirement in 1931, died in Mercy Hospital there. He was born in Pittsburgh, July 21, 1867.

**Peter A. D'Amico**, 34, assistant superintendent of Boston Mutual Life in North Adams, Mass., died suddenly from pneumonia. He had been with the company 10 years and was well known as a dance orchestral leader.

**Ralph R. Sherman**, associate insurance examiner in the New York department's life bureau, died Nov. 21 of a

heart attack while conducting the department's triennial examination at the Equitable Society home office. He joined the department in 1921, being appointed an examiner. Later he advanced to senior examiner and in 1940 became associate examiner. Before joining the department he was connected with the Franklin automobile company in Syracuse.

Mr. Sherman had not been ill health but had suffered what he thought was a stomach attack on the way to New York from his home in the suburbs. The attack passed but he suffered a recurrence at the Equitable home office and was on his way to consult one of the medical directors when he collapsed in a chair and died before medical aid could reach him.

**T. W. Collens**, 55, Equitable Society agent at New Orleans, died after a short illness. He was formerly national committeeman of the Life Underwriters Association of New Orleans.

## CALLED TO SERVICE

**Col. J. W. Palmer**, special representative of Equitable Society in Salt Lake City, as commanding officer of the 385th field artillery reserve regiment, has been ordered to active duty with the army embarkation service at San Francisco. He is a world war veteran, serving with the 145th field artillery of the American Expeditionary Force, and later with the Fifth field artillery in the army of occupation.

## Oliver to Indianapolis Life

**C. B. Oliver, Jr.**, has been appointed Waco, Tex., agency manager of Indianapolis Life, with offices at 516 Professional building. He has been manager there of Seaboard Life.

## Cook to Cal-Western States

**Louis R. Cook**, formerly agency manager Great Southern Life, but more recently with General American Life as a personal producer, has been appointed Fort Worth, Tex., manager of California-Western States Life, succeeding H. D. Mouzon, Jr., who resigned to go with Western Reserve Life.

The Union Central Life Insurance Company  
Over \$200,000,000 in Assets... Founded in 1877

## UNION CENTRAL AGENTS LOOK FOR BIG SALES RESULTS WITH NEW NATIONAL ADVERTISING CAMPAIGN!

Starting with the Oct. 27 issue of LIFE, Union Central's newest series of full page advertisements is expected to do an outstanding job of pre-selling for all U. C. agents.

These powerful ads are directed at the millions of American men who because of more hours of work, or higher wages, are finding more money in their weekly pay envelopes. The ads will offer Union Central's new, streamlined booklet, appropriately entitled "Salt Some Away."

Consistent advertising support is just another way in which Union Central helps its agents to top selling records.

## The UNION CENTRAL LIFE INSURANCE COMPANY

CINCINNATI, OHIO

## NEWS OF THE COMPANIES

### Production for Becker Gives Franklin Big Month

In honor of President C. E. Becker's birthday, 340 representatives of Franklin Life in 19 states wrote almost \$3,600,000 of business in the month beginning Oct. 13. On Mr. Becker's birthday alone more than \$360,000 of business was produced and sent to him with special cards and letters of greeting.

The volume of business produced during the month was \$875,000 greater than business produced during president's month last year, and was the biggest month of business for the company in nearly eight years.

Names of producers were posted on an honor board which stood in President Becker's office throughout the month, where it created a great deal of comment.

H. B. Parker of Baton Rouge, M. D. Dugger, Jr., of Houston, and P. H. Mallory of Birmingham, with from 400 to 822 percent of their assigned quotas for the month, led the list of producers, and were awarded plaques.

### Expand John Hancock Home Office

BOSTON—The John Hancock Mutual Life home office building has become inadequate to accommodate its growing personnel, due to expansion of business, and it will take over one of Boston's famous hosteries, the Hotel Westminster, to secure additional office space.

The Westminster is situated at St. James avenue and Trinity place on Copley square, one block away from the John Hancock home office. It is a seven-story structure. Work on renovation of the hotel will begin at once and it will be occupied by John Hancock workers as soon as ready.

### Hickey, Sun Life Veteran, Retires

Malcolm A. Hickey, supervisor of the premium department of Sun Life of Canada, has retired under pension regulations after more than 31 years of service. He was presented two pigskin traveling bags by his friends at head office. Mrs. Hickey received a matching pigskin case.

Mr. Hickey started with Sun Life in 1910 at the Montreal city branch. He was subsequently transferred to head office. In 1924 he became chief clerk in charge of the policy loan department and in 1927 chief clerk premium department. He was appointed supervisor premium department in 1940.

### Home Life Names Banker

Home Life of New York has named Benjamin Strong a director. He is first vice-president of the United States Trust Company of New York and has been prominent in New York financial and banking circles.

### N. S. Baker with John Hancock

John Hancock Mutual Life has elected Noel S. Baker assistant secretary. Mr. Baker is a native of Connecticut, a world war veteran and attended the University of Maryland. He was formerly in the newspaper business and for a number of years has been engaged in social work, in California and in New York, where he was employed by the New York Welfare Council and was actively interested in the work of the Life Insurance Adjustment Bureau. Later he was with the state department of social welfare.

### Eming to Home Office

W. L. Eming, recently cashier in the Oklahoma City office of General American Life, has been called to the home office for duties in the policy loan and service section. He has been with the company since 1920.

**Diamond Life Bulletins** increase sales. Write 420 E. Fourth St., Cincinnati.

### Knapp and Hurst Advance in Philadelphia Life

Theodore C. Knapp, secretary, was elected secretary-treasurer of Philadelphia Life by the board. He became associated with the company in 1908, in 1921, became assistant treasurer and in 1924 assistant secretary and assistant treasurer. In 1936 he was elected director and he became secretary in 1937.

Ervin R. Hurst, director of agencies, was elected a director. He has been associated with the company since 1927.

### Maloney and Myrup Are New Union Labor Officers

James P. Maloney, president of Glass Bottle Blowers Association, was elected secretary-treasurer of Union Labor Life, succeeding the late T. E. Burke. Andrew A. Myrup, secretary-treasurer Bakery & Confectionery Workers International Union, was elected vice-president and assistant secretary-treasurer of the life company, filling the office made vacant by the death of T. A. Rickert.

J. P. McCurdy, president United Garment Workers of America, and M. E. Durkin, secretary-treasurer of the United Association of Plumbers & Steamfitters, were elected directors of Union Labor Life and on the executive committee.

Matthew Woll, president, stated that due to increased cost of living, salaries of all employees were increased.

The executive committee continued the present dividend formula for individual policies for 1942.

Mr. Woll announced the company is enjoying one of its most prosperous years, and has \$81,598,736 group and individual insurance in force.

### Commonwealth Life Dividend

Commonwealth Life has declared a quarterly dividend of 15 cents per share, representing the first cash distribution on Commonwealth stock since the spring of 1937. President Morton Boyd of the company announced that the board plans to place the stock on an annual dividend basis of 6 percent.

Business in force as of Nov. 1 totaled \$180,540,294, an increase of \$11,517,534 over Jan. 1. For the same months of 1940 the increase was \$5,612,519.

### Ask End of Quebec Loan Limitation Provision

MONTREAL—A petition asking for certain amendments to the Quebec insurance regulations has been forwarded to Premier Godbout by the Chambre de Commerce de Montreal. The Chambre believes the regulations should be amended to enable insurers to issue loans on policies where the holder's wife is the beneficiary, without fear of invalidation of the loans in court.

These steps were taken by the Chambre following a recent decision of the

court of appeals in the case of Equitable Society vs. Mrs. Rosa Belle Larocque, which ruled that although the company had made loans to her husband as a policyholder, it must pay the full amount of the policy to Mrs. Larocque. The recommended change would also authorize insurers to pay the surrender value of the interested persons when the policy is payable to the wife without being subject to the annulment of the payment by the courts.

Subscribe now to **Accident & Health Review**, \$2. 175 W. Jackson Blvd., Chicago.

## Dollars For Defense

THROUGHOUT the United States, the cry today is **DOLLARS FOR DEFENSE!** People in all walks of life—in every city, town and community—are being urged to invest funds for the future protection of the nation.

Such activity provides exceptional and timely opportunities for the life insurance agent. The uncertainty of the times emphasizes to millions of Americans the value of investing dollars for personal defense through life insurance.

The Atlantic Life Home Defense policy—especially designed to provide dollars for personal defense is the last word in modern protection!

For full details regarding an agency in North Carolina, South Carolina, Tennessee, West Virginia or Maryland, write to Robert V. Hatcher, Vice President.

**Atlantic Life INSURANCE COMPANY**  
**Richmond, Virginia**

**RECOGNIZED  
EVERWHERE  
AS....**

**"One of the Best"**

**CENTRAL LIFE  
ASSURANCE SOCIETY  
(MUTUAL)**

**Home Office  
DES MOINES**

## LIFE AGENCY CHANGES

### Mutual Benefit's Changes in the New York City Section

NEWARK, N. J.—The following general agency changes affecting management personnel of the Mutual Benefit Life's New York City area agencies are announced:

B. C. Thurman, assistant superintendent of agencies, who for the past two years has been in charge of the agency at 233 Broadway, is returning to the home office where he will devote full time to agency department duties. R. F. Bierbaum, general agent in Brooklyn since Jan. 1, 1941, has been appointed general agent at 233 Broadway, to succeed Mr. Thurman. H. D. Josephson has been appointed general agent at Brooklyn, to succeed Mr. Bierbaum.

#### Brooklyn Is Independent

The Brooklyn organization has been a branch of the New York City agency until Mr. Bierbaum's appointment as general agent and since his appointment has gained substantially in man power and production. The agency passed its production goal for 1941 in August.

Mr. Bierbaum is a man of proved sales talents, having been a leading producer in Chicago before coming east for the company. He was educated at Elmhurst College in Illinois and got his first sales experience with the National Cash Register Company. He was 29 when he entered the life insurance business and joined the Mutual Benefit in 1937 as supervisor for the Peoria agency. In January, 1939, he went to the Chicago (Parsons) agency.

#### Mr. Josephson's Career

Mr. Josephson, a newcomer to Mutual Benefit ranks, is well established as a life insurance man having successfully functioned as agent, supervisor and general agent. Born in New York City 31 years ago, he attended New York City public schools, City College of New York and Columbia Law School before he stepped into the business world with a firm of real estate brokers. Since he entered the life insurance business in 1930 he has been associated in management work with the Northwestern Mutual and the State Mutual and for four years headed the life department of Mitchell May Jr. Co.

#### John Hancock Promotions

John Hancock Mutual Life has transferred Rudy W. Weber from district manager at St. Paul to district manager at Chicago No. 3. He is succeeded at St. Paul by Joseph F. Swearengin, district manager Cedar Rapids, Ia.

William D. Bayless, field supervisor, has been named district manager at Cedar Rapids.

Richard F. Empie, supervisor of field training has been promoted to field supervisor in the middle west territory. Tilford D. Lennon, assistant manager at Chicago No. 6, becomes supervisor of field training for middle west territory.

#### Hagelstein Edmonton Manager

G. F. Hagelstein, president of the Life Underwriters Association of Vancouver, B. C., and a leading producer of Great-West Life, has been appointed manager at Edmonton, Alta. He succeeds J. House, who has joined the Royal Canadian Air Force.

#### B. M. Dorrry Joins Lamar Life

B. M. Dorrry has been appointed district manager in Shreveport, La., by Lamar Life. Mr. Dorrry, former state manager in Louisiana for Columbian Mutual Life of which he was a director, recently was in the oil and hotel business.

### Nelson Heads New Reliance Life Lineup on Coast

Four management changes on the Pacific Coast are announced by Reliance Life. Nels J. Nelson, for six years manager of the northern California department in San Francisco, is appointed Pacific Coast supervisor. Edward E. Keller, formerly assistant manager in San Francisco, was made manager of northern California. U. H. Hangartner, formerly assistant manager of the western Pennsylvania department, has been transferred to Seattle as manager of the Washington department. Robert S. Buzard has been appointed district manager in Seattle.

Mr. Nelson has been in life insurance for 23 years. He has served as president of the San Francisco Life Underwriters Association. He is now chairman of the defense bond campaign in San Francisco.

Mr. Keller has been with Reliance for 13 years and was assistant manager in San Francisco for the last five years.

Mr. Hangartner has been in life insurance for 16 years. He is a graduate of the University of Pittsburgh where he was a football player and assistant coach.

Mr. Buzard has been in life insurance for 12 years, the last seven with Reliance. He played football for the University of Washington and is president of the Washington Alumni Big "W" Club. He has served as vice-president of the Seattle Life Underwriters Association.

#### Ohio State Life Names Two

Ohio State Life has appointed Anthony P. Mazza general agent at Harrisburg, Pa., succeeding E. S. Boyer, who remains with Mr. Mazza as associate general agent, devoting most of his time to personal production.

Mr. Mazza attended Duquesne University and entered life insurance in 1938 as special representative of Mutual Life of New York. He has been averaging \$250,000 business a year. He is secretary-treasurer of the Harrisburg Life Underwriters Association.

The agency will occupy new offices at 404 North Third street after Dec. 1.

J. Earl Pullen, Toledo manager, has appointed Ronald I. Thatcher, Deshler, O., as district manager. Mr. Thatcher

was formerly district manager of Gleaner Life.

#### Connecticut Manager Named by the Equitable

Earl B. Roberts has been appointed Connecticut agency manager for the Equitable Society. He succeeds C. W. Mercer, who gives his full time to individual selling. Mr. Roberts became connected with the Equitable as an agent in New Haven in 1930. He has already qualified for this year's \$350,000 Club. He is a C. L. U. man. He graduated

from the University of Vermont in 1925, majoring in civil engineering. He has been vice-president of the Connecticut Life Underwriters Association. At a luncheon at which Mr. Roberts was honored, Second Vice-president A. B. Dalager presented him, the affair being held in New Haven.

John T. Manson of New Haven, the senior director of the Equitable and member of the finance committee, was introduced by Vice-president W. J. Graham. Mr. Graham closed the meeting by alluding to the opportunities for the Equitable career agent and pointed to the present favorable outlook for agents

## TRUSTEESHIP As Viewed by GROVER CLEVELAND

In addressing the first annual meeting of the Association of Life Insurance Presidents in 1907, Grover Cleveland said:

"Your fellow citizens, whose confidence you have invited, have put upon you a trust made sacred by the pathos of its purposes and more unescapable in morals and good conscience than any that law can create . . . ."

The Indianapolis Life Insurance Company, through its 36 years in business, has attempted to always be worthy of that trust. Likewise, it has striven through careful selection, training, supervision and company cooperation to see that its men are successful, earn an adequate attractive income, and are assured of a splendid future.

## INDIANAPOLIS LIFE INSURANCE COMPANY

*A Legal Reserve, Mutual Company*

Organized in 1905

Agency opportunities for quality men in Indiana, Illinois, Ohio, Texas, Michigan, Minnesota, Iowa and California.

EDWARD B. RAUB  
President

A. H. KAHLER  
2nd Vice-President  
Supt. of Agencies

**LIFE REINSURANCE**

North American Reassurance Co.  
99 John Street

Lawrence M. Cathles, Pres. New York

by reason of the great industrial activity in Connecticut.

#### Schwabe to General American

Max Schwabe has been appointed general agent of the General American Life at Columbia, Mo. After graduating from the University of Missouri he took a year at law school and then entered life insurance. He is vice-president of the Columbia Life Underwriters Association. He has been general agent of the Northwestern National Life.

#### Schmid Named at Corpus Christi

Albert Schmid, Jr., has been promoted to manager of the Corpus Christi, Tex., district with 25 counties under his jurisdiction, by National Life & Accident. He has been manager at El Paso since 1938 and has been with the company for 12 years.

Mr. Schmid succeeds the late H. B. Wernette, who was president of the Texas association of Life underwriters. B. E. Durham has been appointed El Paso district manager.

#### Opens New Dayton Office

Manager P. C. Bake of the Phoenix Mutual Life at Cincinnati, who has a territory outside of that city, has opened an office in Dayton, O., at 1038 Third National Building. V. N. Schimp and H. J. Reiser will have their headquarters in this office.

#### Fallquist to Great Northwest

George E. Fallquist, formerly manager of California-Western States Life in Spokane, Wash., has been appointed manager of the home office agency of Great Northwest Life of Spokane.

#### Turner Goes to Volunteer

C. L. Turner has been appointed agency manager of Volunteer State Life for south Alabama with headquarters at 322 Shepherd Building, Montgomery. He formerly represented the Equitable Society and then the John Hancock Mutual, where he served as district agent for nine years.

#### Miss Elder Joins Wood Agency

Miss Martha I. Elder, who has been librarian and information clerk with the Chicago Association of Life Underwriters for six years, has been appointed assistant manager of the brokerage department of the Freeman J. Wood agency of Lincoln National Life in Chicago.

### Aggressively Developing State of Illinois Offering Unusual Agency Opportunities

Liberal First Year Commission and Non-forfeitable Renewal Commissions

### GLOBE LIFE INSURANCE CO. OF ILLINOIS

WM. J. ALEXANDER, President

An Old Line Legal Reserve Company

46 Years of Continuous Faithful Service  
to Policyholders

Writing Complete Line of Modern Policies with  
All Standard Provisions  
Ages (0-60)

BROKERAGE BUSINESS ACCEPTED  
*Modern Juvenile Contracts Full Benefits Age 5*  
WRITE US TODAY FOR PARTICULARS

431 South Dearborn Street

Chicago, Illinois



B. C. THURMAN



RAYMOND F. BIERBAUM



HALSEY D. JOSEPHSON

## MANAGERS

#### How to Develop Present Men Explained to Supervisors

LOS ANGELES—The Life Supervisors Association of Los Angeles heard Walter N. Sain, associate general agent in the W. J. Stoessel agency of National Life of Vermont discuss "Developing Present Men."

He said that of 100 full-time men taken on by an agency, but 11 remain at the end of five years. He held that the problems of the average agent are lack of prospects, working the same prospects, no time control, unsatisfactory ratio of new calls to old, lack of enthusiasm, lack of ambition or definite goals, lack of knowledge of (1) needs, (2) life insurance; lack of orderly procedure in the interview, poor approach and lack of enough centers of influence.

#### Main Objective Is Action

To meet these problems, he held that the supervisor should establish a personal rather than an official relationship with the agent; point out that the agency is not interested in his shortcomings, but is seeking his assets in terms of the things he does well. Instruction, he said,

must be backed by the ability to get the man to act.

The supervisor must get an accurate picture of the agent's present position. He must provide the agent a workable viewpoint on his job, to displace the present viewpoint which he has and which has been a major factor in preventing him from reaching real success.

The supervisor must define the life insurance job simply. One of the first

things to do is to emphasize the fact that he must run his job and operate it successfully for himself.

#### Plan Mich. State Congress

DETROIT—C. C. Otto, general agent Mutual Benefit, has been appointed general chairman for the State Managers Congress to be held here Jan. 20 under the joint auspices of the Asso-



### Roll Up Your Sleeves You Agents

No matter what company you represent . . . you life insurance agents face an opportunity the like of which few businesses ever see.

Defense production is swelling pay envelopes to ultra-fat proportions.

But government curtailment of raw material sales and installment selling is cutting drastically such heavy luxury buying as featured the First World War and the boom-time 20's.

The answer is plain. More of the dollars that cram today's pay envelopes can be devoted to family savings and protection . . . which is as it should be. It is our duty as life insurance men to do this . . . and to see that such savings and protection are maintained without lapse when the present emergency production period is past.

And it is our duty to see that these buyers get the best possible protection and investment values that can be had in life insurance.

### MUTUAL TRUST LIFE INSURANCE COMPANY

135 S. LaSalle St.  
CHICAGO

One of 24 purely mutual, net level premium, 3% reserve companies in the United States.

November 28, 1941

## LIFE INSURANCE EDITION

17

ciated Life General Agents & Managers of Detroit and the Michigan Association of Life Underwriters. Prominent speakers on current managerial problems will be presented and all general agents, managers and supervisors in the state will be invited.

**Zimmerman Talks in N. J.**

**NEWARK**—Charles J. Zimmerman, general agent in Chicago for Connecticut Mutual Life, discussed present and future trends in life underwriting at a meeting of the Life Supervisors Association of Northern New Jersey here. Because business is changing, in the next five or 10 years there will be fewer agents and a greater need for supervision, he said.

The supervisors association will hold a Christmas dinner and dance Dec. 19.

**Will Honor Toledo Leaders**

Grove Patterson, president and editor of the Toledo (O.) "Blade," will be principal speaker at the leading salesmen's banquet sponsored by the Toledo Managers Association Jan. 5. H. F. Moore, Bankers Life, is in charge.

**Bureau Conducts Boston Seminar**

The General Agents & Life Managers Association of Boston staged an all-day seminar under the supervision of the Sales Research Bureau. John Marshall Holcombe, B. N. Woodson and Ward Phelps of the bureau discussed various angles of recruiting and bringing agents to a profitable production stage. More than 60 general agents and their supervisors, who were invited for the first time, were present.

**Jamison Pittsburgh Speaker**

John H. Jamison, manager of field training of Northwestern Mutual Life, spoke at the meeting of the Agencies Committee of Pittsburgh.

The San Francisco Life Agency Cashiers Association toured the city's hall of justice, inspecting the modern police radio system, fingerprinting methods, the city and county jail and the morgue.

The Life Agency Cashiers Association of Newark will hold its annual meeting Dec. 17.

cal reimbursement. Manual classifications will apply, class A for females and class B for males.

**First 1942 Hoodoo Day Drive Set for February**

With 1942 the first triple threat year in 11 years, the first Hoodoo Day drive will be staged in February, according to plans outlined by The Accident & Health Review. The main objective of the Hoodoo Day campaigns is for participating agents to prepare a list of 26 prospects, send them two pre-approach mailings and then write 13 applications on Friday, the 13th. Inasmuch as Friday comes on the 13th in both February and March, agents are being urged to sell 13 applications on Feb. 13 and to sell 13 more before March 13. The third Friday, the 13th, in 1942 comes in November.

Agents can secure special "26-13" Hoodoo Day sales kits from their accident companies. Special portfolios outlining full details of the campaign can be secured by managers and company men by writing The Accident & Health Review, 175 West Jackson boulevard, Chicago.

**Offers Accidental Death Rider**

North American Life & Casualty is offering an accidental death rider, paying \$1,000, which can be attached to any individual or group hospitalization policy at a cost of \$3 a year. It covers all types of accidents.

**John Ford Touring Southwest**

John Ford, chief underwriter of the accident and health department of Pacific Mutual Life, is holding a series of conferences with general agents in the south and southwest. He visited the D. J. Farrell agency, San Antonio, this week.

**Cummings Twin City Speaker**

ST. PAUL—Insurance agents must expect constant changes in their business and must keep up with them if they expect to succeed, Harold J. Cummings, agency vice-president of Minnesota Mutual Life, told the Twin City Health & Accident Club at its November meeting.

"During the first world war, many insurance men thought that government insurance to soldiers would put us all out of business," said Mr. Cummings. "But those sharp enough to take advantage of the situation found that thousands of men were educated to think of life insurance in terms of \$10,000 and \$20,000 instead of \$1,000. Today the

live insurance agent is taking advantage of social security to show workers how they can add insurance to give them a real retirement fund."

Bert Odell, vice-president North American Life & Casualty, also spoke.

**Agents Lose Commission Suit**

PEORIA, ILL.—Petition of former agents of Peoria Life, which was reinsured by Alliance Life, to take their suit for renewal commissions to the United States Supreme Court has been denied. The court held there is nothing in the case involving a federal question. The

decision, in effect, upholds a decision of the Illinois supreme court which held that the agent's right to collect premiums terminated when the liquidation order was signed in 1933. It is estimated that from \$100,000 to \$150,000 in commissions was involved.

**Name Ky. Legislative Council**

LOUISVILLE—Insurance Director Goodpaster is a member of a five-man committee of state officials named by Governor Johnson of Kentucky to serve on a legislative council, to discuss and prepare legislation in advance of the meeting of the legislature in January.

**Working General Agents**

make money with the Western Life. During the 10 months of last year he was under contract, a new general agent in a town under 6,000 population earned \$2242, an average of \$224 a month. Commissions and bonuses on his personal business earned him \$1578.19 to which were added agency commissions and bonuses of \$604.90. His current monthly earnings are almost double.

General agency openings in California, Oregon, Washington, Idaho, Montana, Utah and Wyoming. Look up our financial statement.

## WESTERN LIFE INSURANCE COMPANY

Since 1910

HELENA

MONTANA

R. B. RICHARDSON      Assets \$15,516,096  
President                  Surplus \$2,400,000

LEE CANNON  
Agency Vice President

**ACCIDENT****Conference Annual,  
Winter Meets Set**

The annual meeting of the Health & Accident Underwriters Conference will be held at Hotel Muehlebach, Kansas City, May 25-28.

The dates were announced after a conference between Executive Secretary Harold R. Gordon and the local convention committee composed of Kansas City representatives. On this committee are: J. H. Torrance, chairman, Business Men's Assurance; E. G. Trimble, Jr., Employers Reinsurance; Ross J. Ream, National Protective; J. T. Mayall, American Savings Life, and F. W. Duboc, Western Casualty.

Following the plan in past years, the golf tournament will be held Monday, May 25, with business sessions May 26-28.

The midwinter meeting of the Conference will be held at the Stevens Hotel, Chicago, Jan. 22. This is a one-day affair with sessions both morning and afternoon, consisting of informal discussions.

**Travelers in Line on Age Limit**

In line with action taken by other companies, Travelers will now issue reimbursement contracts on children of school age, bringing the age limit down to approximately 5 or 6, with limits of \$5,000 dismemberment and \$1,000 medi-

FIRST POLICY ISSUED 1871

# SUN LIFE OF CANADA

ASSURES SECURITY



## NEWS OF LIFE ASSOCIATIONS

### Spindell and Millette to Address Managers Division

The General Agents & Managers' Division of the Chicago Association of Life Underwriters will meet at lunch Dec. 3 to hear Robert Spindell and Paul F. Millett of Spindell-Millett service talk on estate and tax insurance. J. H. Brennan, chairman will preside. Mr. Millett will discuss "Modern Method of Accumulating Estates" and Mr. Spindell "Two Effective Insurance Sales Ideas."

Team captains in the defense bond drive will have a luncheon meeting Nov. 28 to discuss progress.

Miss Florence L. Carr, formerly in charge of the insurance department and assistant in the bond department of the Washington Loan & Trust Company, Washington, Ia., has become associated with the Chicago association.

Although the association has reserved the entire mezzanine floor of the La Salle hotel for the charity barn dance to be held Dec. 12, it has been necessary to limit attendance to 1,500 guests. Last year, in smaller quarters, attendance at the annual party was 1,000. Charities supported by Chicago newspapers will be aided by being given funds that are raised. Entertainment will be furnished by the WLS Barn Dance celebrities.

### Southern California Caravan Opens Season in San Diego

SAN DIEGO, CAL.—With 175 in attendance, the southern California Caravan of the Life Underwriters Association of Los Angeles, sponsored also by the California association, held its first meeting of the season here.

"X-Raying the Present Market and Selling in That Market" was the theme of the meeting as it will be of all the journeys of the caravan this year. H. P. Morgan of the Hays & Bradstreet agency of New England Mutual Life is caravan chairman and had charge of the meeting.

Martin I. Scott of the Scott-Foster Co. spoke on "Business Insurance"; Homer C. Chaney, supervisor of Hays & Bradstreet, on "Finding Today's Market"; H. W. Persons, agency organizer Fred C. Hathaway agency Mutual Life, on "A Life Insurance Man's Place in His Community," and H. R. Van Cleve, John W. Yates agency Massachusetts Mutual Life, on "Taking the Dips Out of Production."

Harold G. Saul, president of state association; C. E. Cleeton, president Los Angeles association, and Roy Ray Roberts, National association trustee, all spoke briefly.

The caravan made its second and third trips over the weekend, visiting Pasadena and Santa Monica. The program in each instance was the same as at San Diego.

### Plan 1942 Kansas Meeting

The Emporia Life Underwriters Association will hold a joint meeting with the officers of the Kansas association Dec. 6 to plan the 1942 annual meeting and sales congress for which it will be host next April. The annual meeting was passed up this year, due to the holding of the mid-year meeting of the National Association in Wichita in the spring.

### Wash. Quarter Million Men Meet

SEATTLE—The Quarter Million Dollar Round Table of the Washington Association of Life Underwriters met here Nov. 22, with William N. Boyd, Aetna Life, presiding. The organization has 23 members.

Harry Andrews, Provident Mutual, Tacoma, spoke on "New Tax Laws" and R. D. Smalley, Penn Mutual, discussed

"Business Insurance Needs." The program was arranged by Austin Thayer, Prudential, past president of the Washington association.

Membership of the Quarter Million Dollar Round Table is expected to be enlarged as the result of increased production in 1941. Applications will be submitted next month and the new membership roll announced in February.

### Missouri Parley Dec. 5-6

The semi-annual meeting of the Missouri Association of Life Underwriters will be held Dec. 5-6 in Moberly, where a local association has recently been formed. The state meeting will start at 1 p. m., the afternoon being devoted to state and local association affairs followed by a dinner. A sales congress will be held Saturday morning. Previews E. Turner, state president, will preside.

**Chattanooga, Tenn.**—John A. Witherpoon, Nashville, president National Association of Life Underwriters, discussed major objectives of the association. He outlined the plan for every member of the National association to devote one day a month to defense bond sales. B. H. Odom is chairman of a committee for the work in Chattanooga. Bart Leiper, Provident Life & Accident, introduced the speaker.

**Indianapolis**—Frank W. Yarbrough has resigned as secretary to go with the Treasury Department in Chicago.

**Los Angeles**—Gale F. Johnston, field director defense savings staff, spoke at a breakfast attended by about 70 general agents, managers and association officials. He said that thus far California ranks second among the states in sale of larger bonds and fourth in smaller bond sales.

**Oklahoma**—Life insurance and national defense were closely linked as the major

guarantees of security in address by R. S. Kerr, oil operator and candidate for governor, at a meeting in Oklahoma City.

The association officially ratified the constitution and by-laws submitted by a committee appointed at the organization meeting at Stillwater. All the local associations in Oklahoma, including Oklahoma City, Enid, Okmulgee, Stillwater, Tulsa and Ponca City, have ratified the formation of the state organization except Tulsa and action is expected there at the next meeting, according to Hawley Wilson, state president.

**Wichita, Kan.**—A breakfast meeting will be held Dec. 11 for second reports on the defense bond sales program launched in October. Advance reports indicate that more than 50 firms have agreed to the payroll deduction plan.

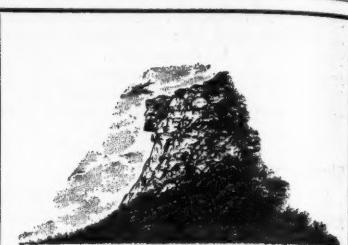
**Waterloo, Ia.**—E. P. Connolly, Des Moines general agent Penn Mutual Life, spoke on "Engineering Life Insurance Sales."

**Des Moines**—A play, "Kearney vs. Nelson," which depicts life insurance in action, was presented by members of the association. Denny Littlewood was the coach.

**Bloomington-Normal, Ill.**—Two questions were discussed, how to interest the young man with a future in developing a life insurance program for himself early, and how he can protect his estate against a heavy tax burden when he accumulates the estate. Chester Marquis, a student at Illinois Wesleyan, asked several questions as to why a young man should begin a life insurance program. R. W. Gipson, associate general Aetna Life, Bloomington, led a discussion on the increasing importance of state taxes and methods of arranging life insurance to meet them. John F. Odell, association president, announced the speaker at the December meeting will be E. A. Olson, president Mutual Trust Life.

**Detroit**—General agents and managers should devote more time to conferring with and inspiring producers in order to get the best results under present conditions, Dr. G. S. Ross, Detroit business executive said.

The psychology of selling has been undergoing an intensive change in recent



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years, Dr. Ross declared. The new psychology requires a larger measure of service to policyholders if these policyholders are to be the source of additional sales in the future. He showed how the rise of the labor movement has had a profound effect on buying psychology, leading buyers to believe that they should receive more from those with whom they do business.

**Toledo**—Paul Speicher, R. & R. Service, discussed "The New Income Tax Law and Its Relation to Life Insurance."

Results of a ten-day membership campaign were announced. Burdette Baldwin, Massachusetts Mutual, and E. E. Madden, Prudential, were co-chairmen.

**Milwaukee**—Henry Fuller, Sr., president, has appointed Frank Hughes, general agent Mutual Benefit Life, national committeeman to fill the unexpired term of E. L. Carson, Equitable Society, who is on a long leave of absence in California because of his health. He also becomes chairman of defense bond sales.

**New Orleans**—The association is sponsoring a 12 weeks training course. The opening lectures were by Paul Speicher on "Professional Characteristics of Life Underwriting" and Helbert Rust on "How People Buy."

**Toronto**—Canada is the world's greatest market for life insurance, E. C. McDonald, head of the Metropolitan Life organization in Canada, declared. Canadians invest 52 percent of their public savings in life insurance, which is the highest percentage in the world, he said. In the United States 40 percent is invested, he said.

Sales of life insurance in Great Britain in 1941 show an increase over 1940, yet only half the sales staffs are available. Sales of two Canadian companies operating in Britain have increased 10 and 15 percent this year.

**Nashville**—An address on "Taxes" by Milton Elrod, Jr., R. & R. Service, at a luncheon meeting was followed by a panel discussion at another meeting at 4 p. m.

**Knoxville, Tenn.**—John A. Witherspoon, president of N. A. L. U., addressed more than 100 life underwriters on the association's plan for selling defense bonds. W. L. Ambrose is in charge in Knoxville.

**Jackson, Tenn.**—"The gospel of protection through life insurance is next to the gospel of religion in benefiting mankind," declared Lloyd T. Binford, organizer and retired president of Columbian Mutual Life, Memphis.

**Rhode Island**—G. Franklin Ream, assistant superintendent of agencies of Mutual Benefit Life, spoke at a luncheon meeting in Providence.

**Northern New Jersey**—The advanced salesmanship school will start Dec. 11 and continue to March 5. Meetings will be held Thursdays from 9 to 11 a. m. in Newark. Among the lecturers, will be William P. Worthington, vice-president and superintendent of agencies Home Life of New York; Vance L. Bushnell, vice-president Equitable Society; C. E.

Brewer, Jr., assistant to superintendent of agencies Mutual Benefit Life, and Denis B. Maduro, counsel Life Underwriters Association of New York.

**Los Angeles**—At a breakfast meeting Nov. 27, Asa V. Call, executive vice-president Pacific Mutual Life, discussed "Life Insurance Investment Trends Under War Conditions," and O. J. Lacy, president California-Western States Life, talked on "Life Underwriting Trends Under War Conditions."

**Rochester, N. Y.**—Arthur L. Beck, Buffalo general agent of National Life of Vermont, addressed the November meeting.

**Atlanta**—At a special meeting M. A. Linton, president Provident Mutual Life, spoke on life insurance and inflation, taking his text from his book, "Life Insurance Speaks for Itself." He was introduced by S. R. Bridges, Jr., Atlanta general agent of Provident.

President W. Stanton Hale, Fidelity Mutual, announced that a training program will be put on by the Atlanta Life Managers Club, with Emory L. Jenks, Pacific Mutual, in charge of arrangements.

It was announced that the Georgia Leaders Round Table will conduct a series of inspirational and sales meetings. David Marx, Jr., Massachusetts Mutual, is the president of the Round Table.

**Dayton, O.**—The defense bond sale drive will open here at a luncheon meeting Dec. 5 to be attended by underwriters, civic leaders and city and county officials. T. P. Allen, general agent Massachusetts Mutual, was named general chairman of an executive committee in charge of the drive. The Life Managers Association will meet Dec. 4 to discuss the defense bond drive. J. A. Preston, vice-president Columbus Mutual Life, addressed the monthly association meeting Thursday on "What Is the Difference?"

**Louisville**—Warner Wilson, Guardian Life, president of the Cincinnati Life Underwriters Association, will give an address "Programming for the Last Time," at the meeting Friday.

## AGENCY NEWS

### Russell Moore in Newark

W. J. Bristol, Newark general agent of Midland Mutual Life, tendered a luncheon to his agency force Nov. 25. The guest speaker was Russell S. Moore, superintendent of agents.

### Talks on Public Relations

Merle Gulick, director of public relations of Equitable Society, talked on "Public Relations" before the members of the Masterson agency in Newark. He paid particular attention to the

"importance of the life underwriter institutional-wise to the public."

### Agency Field Club Meets

The Agency Field Club of the Newark branch of Mutual Life held a luncheon-meeting at which Frank A. Williams, president of the Life Underwriters Association of Northern New Jersey, and W. R. Baker gave inspirational talks. H. J. Fett, manager, outlined the recent meeting of managers in Florida.

## C. L. U.

### Moynahan in Detroit

John D. Moynahan, Metropolitan Life, Berwyn, Ill., president American Society of Chartered Life Underwriters, spoke at a luncheon meeting of the Detroit C. L. U. chapter. He discussed the activities of the American Society and amplified his remarks before the 300 taking the 26 weeks' study course of the C. L. U. chapter, when he spoke on "Today's Market."

### Sales Panel in Boston

At a meeting of the Boston C. L. U. chapter, a panel of four members discussed "Sales Ideas." With George Paul Smith, New York Life, as interlocutor, sales ideas were presented by J. S. Braunig, Massachusetts Mutual; Joshua B. Clark of the State Mutual; Lester von Thurn, John C. Paige & Co., and Richard F. Wagner, Connecticut General.

## RECORDS

**Midland Mutual Life**—Increased October paid-for business 35 percent, with gain of 12 percent in first 10 months. Better persistency resulted in 25 percent net gain of life insurance in force, or nearly \$5,000,000 in first 10 months compared to less than \$4,000,000 in the same period last year. Gain of \$6,000,000 insurance in force makes about \$128,000,000 and admitted assets over \$35,000,000 or more in 1941 are anticipated.

New business shows \$356 average increase per policy, and average new policy is \$2,658.

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TORONTO, CANADA  
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## LIFE SALES MEETINGS

### Inspiring Talk by Cox in Texas Rally

Fundamental things in life must be recognized by the agents for them to be successful, Ray P. Cox, vice-president and agency director of California-Western States Life, told a one day sales conference held for southwest Texas representatives in San Antonio. The W. A. Gamble agency was host. Mr. Cox was in charge, assisted by B. T. Cantrell, Texas supervisor, and R. M. Burns, Texas group supervisor.

Mr. Cox stressed the importance of simple language in the presentation. Success comes from simplicity in telling the story, in the appeals made, and consistent work.

### Imagination Essential

Imagination is as essential to the salesman as the x-ray to the doctor, he said. This is the mental factor which enables the agent to see business and guides him in getting it. Prestige is the result of combining creative imagination with simplicity and sincere service for the prospect and policy-owner. Any intelligent, energetic agent can build this through presentation of life insurance as what it is, rather than what it does. It is, he said, invested capital at work making possible the operation of industrial plants which provide employment for the worker and create goods and services.

The agent must know in which direction he is going. He must function in four capacities, the executive, treasurer, secretary and service man.

### Appeal to Instincts

A key to success, he concluded, is appealing to the instincts of man. He suggested use of the manipulative instinct in getting attention, the acquisitive instinct in intensifying attention so that it may be turned into desire for possession, the sex instinct which causes a father to desire to protect his children and provide for their needs, leadership which drives a man on to achievement, the gregarious instinct which causes a man to strive to retain that which he has, and the hunting instinct which is shown in the various types of games. These are bells which when rung will bring sales.

The conference was one of a series which included Houston, Del Rio, Dallas, San Antonio, and Tyler.

### Mutual Trust Madison Meeting

About 35 agents from Wisconsin and Iowa attended an educational meeting of Mutual Trust Life in Madison, Wis., arranged by C. J. Homann of the Reitan-Lerdahl Agency there. Speakers from the home office were A. B. Slatten-gren, vice-president, and Stacy Merchant, field supervisor.

### Conn. Mutual Arranges for '42 Regional Rallies

Seven sites have been chosen by Connecticut Mutual Life for its regional educational conferences, to be held during June, 1942. Qualifying members of agencies in the southwest will meet at the Hotel Roosevelt, New Orleans; agents in the south-Atlantic states will meet at Lookout Mountain Hotel, Lookout Mountain, Tenn.; mid-western agents will meet at The Elms, Excelsior Springs, Mo.; middle-Atlantic agents will go to the Essex & Sussex, Spring Lake, N. J.; north Atlantic agents to Hotel Sagamore, Bolton Landing, Lake George, N. Y.; Pacific coast agents to Hotel Del Monte, Del Monte, Cal.; and north-central agents to Edgewater Beach Hotel, Chicago.

### Lincoln National Wash. Rally

Washington representatives of the Lincoln National Life gathered in Seattle under the leadership of E. H. Small, general agent there, for conferences with A. L. Dern, vice-president and director of agencies.

### N. W. Mutual Rochester Rally

Earl Lincoln, Rochester, N. Y., general agent of Northwestern Mutual Life, held a one-day agency meeting. John H. Jamison, manager of field training at the home office, conducted the afternoon session. The evening meeting was attended by 60 agents, their wives and guests. Edmund Fitzgerald, vice-president, was the principal speaker.

### Warns Against Omitting Portion of Sales Cycle

DALLAS—Steps by which an agent can work out his own personal formula for success in selling, keyed to his particular skills and abilities, were listed for members of the Dallas Association of Life Underwriters at the November meeting by W. T. Whitehead, director of sales promotion for Kansas City Life. He was introduced by O. Sam Cummings, Texas state manager for Kansas City Life.

The agent, he said, can definitely produce the income he desires by controlling the profit factors which are: average size of sales, average size of premium per thousand, average commission per thousand and closing ratio.

Prospecting seems to be a difficult problem because it is a constant one, he declared. The agent must keep the prospecting problem continuously solved.

"Lead getting, the activity of getting the names of people who spark with us," he asserted, "is the initial step in the sales cycle. Not only must we take advantage of the contacts we now have but

we must always be alert with our observations to the end that we form new contacts."

The next is qualifying the lead. Then comes a qualifying interview to verify the preliminary information and qualify the prospect for a specific problem. This leads to a list of live, ready-to-buy prospects, who are possibly closeable within 30 days.

Then follows the closing interview. Too many agents jump from the lead getting step to the closing interview without paying the price of going through the qualifying process, he said. The process of bringing the man to the ready-to-buy stage is sales engineering.

### Joint Tenancy Deeds in Nebr. Affected by Ruling

LINCOLN, NEB.—Life companies which have taken over properties in the state through foreclosure or by deed given in satisfaction of loans, are advised that close inspection of titles is called for in view of the supreme court's recent decision that joint tenancy deeds, with rights of survivorship, which are made direct by the titleholder to spouses are not legal conveyances.

The advice, which included as beneficiaries trust companies and land banks as well as individual loaners, is given in briefs filed by a number of attorneys who intervened in the case in support of a motion for a rehearing, which has just been denied. They said thousands of such direct transfers have been made in years past, and the court decision makes them worthless.

The court held a third party must be used in making joint tenancy deeds of this type; in effect, that one cannot transfer title direct to himself. The last legislature, however, included in the uniform partnership act a provision validating direct deeds.

### Chris Gough Welcomed Back by Associates

C. A. Gough, deputy commissioner of banking and insurance of New Jersey, returned to his desk at Trenton after an absence of several months spent in recuperation from a serious operation. For the present he will limit his visits to his office to a few hours each day.

Mr. Gough is known country-wide not only because of his many years of service with New Jersey but because of his great activity in the affairs of the National Association of Insurance Commissioners. It will be recalled that the onset of his illness occurred at a meeting of the association in Detroit early in June. However, he anticipates taking his usual active part in the forthcoming meeting in New York in December.

### Appeal Aviation Rider Case

ST. PAUL—The Minnesota department will appeal to the supreme court the friendly action involving its right

to accept aviation exclusion riders. In one of the points raised the lower court found in favor of the companies and it is from this the appeal is being taken. This means another delay of several months before aviation exclusion riders may be accepted in Minnesota. The situation was caused by a clerical error in the legislature when a bill was passed authorizing the filing of such riders.

### Stafford Back in Chicago

W. N. Stafford, who has been located at home office of Occidental Life in Los Angeles for about a year, has resigned. He is now located at the Lake Shore Athletic Club in Chicago. Mr. Stafford before going to Los Angeles was Chicago manager of Occidental Life and prior to that had been Chicago manager of Northwestern National Life.

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November 28, 1941

## LIFE INSURANCE EDITION

21

**LEGAL RESERVE FRATERNALS****Fraternal Week Committee to Meet in Chicago Dec. 5**

The National Fraternal Life Insurance Week committee will meet in Chicago Dec. 5 to approve preliminary plans for the 1942 observance, May 4-9. Chairman C. D. De Barry, director of sales Catholic Order of Foresters, Chicago, has named the committee consisting of Norton J. Williams, president Equitable Reserve and vice-president N. F. C.; O. E. Aleshire, president Modern Woodmen; Walter C. Below, president Fidelity Life; John E. Little, field director Maccabees and president Fraternal Field Managers Association; Mrs. Grace W. McCurdy, supreme oracle Royal Neighbors; Mrs. Dora A. Talley, president Woodmen Circle; Farrar Newberry, secretary Woodmen of the World, Omaha; W. E. Wright, grand recorder, A. O. U. W. North Dakota; Mrs. Bina West Miller, Woman's Benefit; and Alex O. Benz, president Aid Association for Lutherans.

In making his announcement Mr. De Barry stated that President Thomas R. Heaney of the National Fraternal Congress is very anxious that National Fraternal Life Insurance Week be made an outstanding event during his administration.

**Youth Congress to Be Held in Pa.**

The first step toward forming a "youth congress" of the young people in fraternal societies throughout the country was taken by the Pennsylvania Fraternal Congress at its meeting recently when the executive board was directed to call on presidents of affiliated societies for a conference to be held in December or January to discuss plans for calling a convention of young fraternalists in Pennsylvania.

It is proposed to hold this convention some time next summer as an experiment, and if successful, it is likely other state congresses will organize similar activities. Out of this, it is hoped, will spring a national organization of young fraternal people between ages 16-30.

**Johnson Suggests Plan**

The impetus to the action in Pennsylvania was given by a paper by Fred A. Johnson, vice-archon Royal League, Chicago, chairman of the National Fraternal Congress committee on lodge activities during the last year. Mr. Johnson at the N. F. C. annual meeting in San Francisco recently presented a report on the youth movement in fraternalism. He originated the idea to form a youth congress and will attend the Pennsylvania convention of young people next year.

In his paper at the Pennsylvania congress, Mr. Johnson said it is vital to fraternalism to know the attitude of America's young men and women between ages 18-30 toward fraternal life insurance and what changes, if any, they want society leaders to make. The future of the institution lies in the hands of the young people. Their interest must be enlisted so that they may later provide leaders for fraternalism.

**Subjects for Discussion**

Youth movements have been launched throughout the world, Mr. Johnson said, and they have been dynamic, if not all constructive. He said Pennsylvania should prove a fine experimental laboratory for it has the largest fraternal insurance membership of any state and its state congress is the largest in the country.

Mr. Johnson sketched his idea of how

the youth convention should be organized. He suggested that one delegate between the ages of 16-30 or 16-25, the younger age bracket, if preferred, should be elected, selected or appointed from each local lodge in the state of all affiliated societies, to be approved as eligible by the society home offices through whom delegate credentials would be cleared. Each society could hold a preliminary caucus and select its own chairman who would be recognized in the convention as representing the delegation. He proposed a two day gathering of a discussion nature of the two subjects: "What has the Fraternal Insurance System to Offer the Youth of America?" and "What Does Youth Expect from the Fraternal Insurance System?"

Mr. Johnson said the experience gained from such trial convention would be of great assistance to the N. F. C. executive committee in deciding whether a national gathering of young people could be successfully sponsored.

**Aids Membership Work**

Expenses for the state convention might be left to the individual delegates or arranged by local lodges through various means, Mr. Johnson said. Some societies have built membership campaigns around their youth gatherings by giving delegates opportunity to earn their way through sponsoring applications and one Pennsylvania youth gathering added more than 2,000 new members to the rolls. Delegates might qualify for all expense trips to the convention through meeting certain production requirements.

Francis Taptich, president United Societies of the Greek Catholic Religion, McKeesport, Pa., is past president and one of the leaders of the congress who is behind the project. John Masich, Homestead, is congress president.

**Catholic Family Protective Reelects All Officers**

MILWAUKEE—About 250 delegates attended the 50th golden jubilee convention of Catholic Family Protective Life in Milwaukee. It opened with a pontifical mass at St. Mary's church, celebrated by Bishop Muench, Fargo, N. D., who also was principal speaker at a banquet. Dr. J. J. Gramling, president, presided in business sessions. Reports were made on the fraternal's progress during the last four years since the last convention. The organization is actually 73 years old but no longer holds annual conventions.

In addition to President Gramling, officers reelected were Joseph W. Schiek, vice-president; Joseph G. Grundle, sec-

retary; R. J. Czajkowski, assistant secretary and treasurer, and Dr. Henry J. Gramling, medical director.

Catholic Family Protective is going into the health and hospitalization insurance field, in line with a resolution adopted at the annual convention, empowering the board to initiate such a program in addition to the present forms of life insurance contracts that are written. The new protection will be written separately from life policies.

A report on the four years since the last convention, showed steady increase in premium income from \$99,768 in 1937 to \$185,513 in 1940. The nine month figure this year was \$144,035. First year premium income increased from \$14,895 in 1937 to \$38,893 last year. In the four year period assets increased more than \$150,000 to over \$1,150,000.

Membership and insurance in force also gained substantially, from 6,167 members owning \$4,196,800 insurance at the end of 1937 to a new high of 11,867 members with a total of \$7,479,100 insurance.

Twenty-one new branches were formed in the last four years.

**Wiley Elected President of Tennessee Congress**

N. C. Wiley, Lewisburg, Tenn., is the new president of Tennessee Fraternal Congress elected at the annual meeting in his city. He is state manager of Macabees.

Other new officers are: Vice-president, Mrs. Rose Finley, Chattanooga, district deputy Royal Neighbors; secretary-treasurer, Pearle I. Rhoads, Memphis, district manager Royal Neighbors. Sarah J. Underwood, Memphis, Ben Hur Life, presided. As outgoing president she was elected executive committee chairman.

A banquet was held. J. B. Cobb, Nashville, was toastmaster. Commissioner McCormack in an address gave data regarding fraternal societies in the state. Mayor McCord of Lewisburg spoke on "Fraternalism." The next meeting probably will be at Knoxville.

**Nolte District Agent in Ohio**

C. L. Nolte, Columbus, O., has been named district agent of Lutheran Brotherhood in charge of Franklin, Fairfield, Delaware, Union, Clark and Pickaway counties in central Ohio. The society reported a September-October increase of new business in Ohio of 80.3 percent over the same period last year.

**Ashenfelter Portland, Ore., Head**

Organization of the Fraternal Life Underwriters Association has been completed in Portland, Ore. J. H. Ashenfelter, state manager A. O. U. W., was elected president; Jerry Sayler, Woodmen of the World, vice-president, and

Charles Davis, Independent Order of Foresters, secretary-treasurer. Directors will be chosen next week. Representatives from 12 of the 20 fraternals eligible for membership attended the organization meeting.

**NEW YORK****FREID AGENCY'S GREAT GAIN**

More than one-half the business of the Isadore Freid agency of New England Mutual in New York City for the first 10 months represents a gain of insurance in force. This is somewhat unusual when it is considered the agency has more than \$40,000,000 in force. Individual agents' performance is ahead of last year.

**N. Y. CITY SALES UP**

Production of ordinary life insurance for October, according to estimate of the Life Insurance Sales Research Bureau—released through the New York City Life Underwriters Association, was \$51,407,000, as compared with \$48,456,000 for October, 1940. This increase is in contrast to the series of decreases which the New York area has been showing for some time.

**ROSEN RESUMES BIG PRODUCTION**

Lester Rosen of the Union Central in New York City, who recently returned from army service after being mustered out and classified in reserve, has resumed his large production with \$71,029 in six cases in October. Before entering the army this year, in the first 2½ months he paid for about \$100,000.

Mr. Rosen started with the Union Central in 1933 and in his first full calendar year, 1934, paid for 98 cases for a total of \$1,057,180 when he was only 22 years of age. The next year he paid for \$890,436, in 1936 for \$718,956 and in



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**PERTINENT FACTS—  
SUPREME FOREST  
WOODMEN CIRCLE**

Gross Assets .....	\$ 34,832,388.00
Protection in Force.....	105,066,561.00
Total Membership .....	132,079
Organized into 2,653 Groves in 44 states	
Benefits paid in 1940 to members and beneficiaries .....	\$1,768,796.00
Dora Alexander Talley, National President	
Mamie E. Long, National Secretary	
Home Office, Omaha, Nebraska	

**THE WOMAN'S BENEFIT ASSOCIATION**

*Founded 1892*

A Legal Reserve Fraternal Benefit Society	
Bina West Miller Supreme President	Frances D. Partridge Supreme Secretary
Port Huron, Michigan	

**WE WRITE  
LEGAL RESERVE LIFE INSURANCE  
FOR MEN, WOMEN, AND CHILDREN**

*A Policy to Fit the Need—  
A Rate to Fit the Purse*

**INQUIRIES FROM PROSPECTIVE AGENTS INVITED**

**STANDARD LIFE ASSOCIATION**

HOME OFFICE

FOUNDED IN 1890

LAWRENCE, KANSAS

1937 for \$782,495. In each year of the period 1938-1940 he paid for more than \$500,000.

Mr. Rosen at the age of 29 is the youngest life member of the Million Dollar Round Table of the National Association of Life Underwriters, having qualified as a millionaire for three consecutive years. He is also well known as a speaker and writer on life insurance subjects.

#### FAREWELL TO MYRICK

Members of the supervising assistants staff, the office manager and the senior member of the clerical staff of the Ives & Myrick agency of Mutual Life in New York City gave a dinner in honor of Manager Julian S. Myrick, who on Dec. 1 goes to the home office as second vice-president. They presented to him a scroll attesting their good wishes. At a breakfast meeting of the clerical staff in honor of Mr. Myrick the same group presented a watch and a chain to go with it.

#### HOME WILL BE HOST

President H. V. Smith of the Home of New York has extended an invitation to the insurance commissioners and their staffs to a buffet supper and inspection of the H. V. Smith Museum of fire apparatus, insignia, etc., at its home office building, 59 Maiden Lane, New York, on Tuesday evening during the time the National Association of Insurance Commissioners is meeting in the city.

## Fischer Ouster Move Waits

(CONTINUED FROM PAGE 3)

and in May, 1940, he personally reported all the facts surrounding the alleged irregularities and diversion of the funds to the attorney-general and the Polk county attorney "furnishing them all of the information and facts in my possession."

Following this report he said a representative of the company called on him as to the licensing of the insurance firm. Mr. Fischer said he told the representative that his recommendation was that three of the directors resign, that steps be taken immediately toward the liquidation of the City of Childhood orphans home near Elgin, Ill., and that legal expenses and fees be reduced to the end "that any persons subject to suspicion or who acquiesced in the irregular expenditures should be eliminated."

#### Recommendations Were Made

Later a convention examination was held with the departments from Kansas, Washington, Missouri and Iowa taking part. Mr. Fischer said the commissioners recommended the resignation of at least four directors, reduction of all salaries of officials, specific recommendations for the reduction of acquisition costs, closing of the City of Childhood and liquidation of the property, and disposition of other real property owned by the company.

Mr. Fischer said as of this date the company has carried out the commissioners' recommendations as follows:

Substantially reduced insurance and investment costs, reduced the cost of operation of the home office building, reduced the annual officers' salaries to \$42,000 as compared with \$85,600 paid in 1938 and \$77,600 paid in 1939, has accepted the resignation of A. H. Hoffman, Ward F. Senn and Earl D. Frink as officers and directors and elected and installed new officers and directors.

Hawkeye Casualty and the former Travelers Mutual Casualty, the latter recently merged by Hawkeye, were brought into the current attack upon Commissioner Fischer by Hayner.

Havner asked that insurance department employees be subpoenaed to bring any departmental examiners reports and other records, files and correspondence for the year 1936 to 1941, inclusive, re-

lating to the business or condition of the two casualty companies.

Havner's petition asking for the action said Wolf will show by the records that there has been gross wrongdoing, misappropriation and misuse of funds of Hawkeye Casualty and Travelers Mutual Casualty, and maladministration of affairs, and that Commissioner Fischer had full knowledge of such wrongdoing and permitted it to continue."

The petition asked that all of the officers and directors of the two companies be subpoenaed to appear before the Iowa executive council along with Ralph Knudsen, first deputy of the department, and Miss Pauline McDonald, assistant chief examiner.

#### Rally Behind Fischer

Various insurance men and associations have been quick to rally behind Commissioner Fischer following the charges made of partiality and maladministration of office.

Resolutions of confidence in Mr. Fischer's administration have been adopted by the General Agents & Managers Club of Des Moines, Des Moines Association of Insurance Agents, and Iowa Association of Mutual Insurance Companies.

In addition numerous letters of confidence have been sent to Fischer commanding his administration of his office.

The name of P. A. Stark was brought into the proceedings through the claim of Willis O'Brien, attorney for another policyholder, Hubert J. Burken, who is intervening in the case.

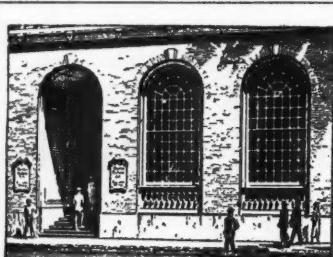
O'Brien in his intervention petition filed with the council claimed that Benjamin Wolf had served as Stark's attorney. O'Brien claimed that both Wolf and Stark had full knowledge of the irregularities at American Mutual long prior to that of Commissioner Charles Fischer.

"Wolf participated with P. A. Stark as his attorney and conferred in the investigation of said matter as early as 1937," O'Brien's petition stated.

## Mutual Life Makes Agency Changes

(CONTINUED FROM PAGE 1)

Mutual's Grand Rapids agency, where since June, 1938, he has served as agency organizer, covering western Michigan, in charge of recruiting and training of new agents. He joined the Akron office of Mutual in 1928 after graduating from Amherst college. He had an outstanding record in insurance selling and was later made district manager at Akron.



### The Boston Mutual LIFE INSURANCE CO.

1891 GOLDEN 1941  
ANNIVERSARY

An old New England company of high character and standing. It is known for its conservative management and strength.

JAY R. BENTON, President  
EDWARD C. MANSFIELD,  
Secretary-Treasurer

HOME OFFICE

Boston, Mass.

During the last three years at Akron, he was a member of the company's National Field Club. He received his C.I.U. designation in 1941. His father, D. King Paige, was a leading producer for Mutual Life in Akron for 30 years.

#### F. C. HATHAWAY RETIRES

Fred C. Hathaway, manager of the Mutual Life of New York agency in Los Angeles, has announced his intention to retire as of Jan. 1. He has been a prominent figure in Mutual Life affairs for many years, and recently celebrated his 40th anniversary with the company.

Mr. Hathaway was born in the little mining town of Yreka, in northern California. He started work in the insurance world as a clerk in the Mutual Life office at Albuquerque, N. M., in 1901. In 1903, he was transferred to Portland, Ore., as assistant cashier and remained in that office until 1906. He was then transferred to San Francisco, and later made assistant manager in that city, where he remained until 1909.

#### Built Salt Lake Agency

He then went to Salt Lake City as agency manager, and was the youngest manager ever appointed by Mutual Life at that time. He took the Salt Lake agency, with a previous yearly record of \$209,000 paid business, and built it up to \$5,500,000, and increased the business in force from \$5,000,000 to \$25,000,000.

He had always dreamed of going back to his home state, and in January, 1922, was transferred to Los Angeles, where he has built the agency there from a small one to one of the largest on the Pacific coast, and one of the leading agencies of Mutual Life.

He is president of the Altrurian Club of Los Angeles, an organization consisting of Rotarians who have moved there and lost their classification. As president for two years of the Los Angeles Association of Life Underwriters, he developed cooperation between the life underwriters association, life managers' club and life insurance committee of the Los Angeles chamber of commerce. He was recently appointed a member of the American Arbitration Association, a national organization for the specific settlement and control of controversies.

He has had two brothers in the Mutual Life family—W. L. Hathaway, who

*that  
EXTRA  
sales appeal*

It's the policy that is built to do the job that wins favor. Since American United policies are streamlined to present day needs in a wide choice of participating and non-participating plans—they meet with instant approval.

For agents there's a tested plan whereby large renewal commissions are received during the early years of each policy.

AMERICAN UNITED LIFE INSURANCE CO.  
INDIANAPOLIS, IND.

served it for 44 years, and J. F. Hathaway, who served for three years.

Even a woodpecker owes his success to the fact that he uses his head.

Get revised edition of "Life Insurance and Federal Tax Laws," 50c. National Underwriter, 175 W. Jackson Blvd., Chicago.

## ACTUARIES

### CALIFORNIA

Barrett N. Coates	Carl E. Herfurth
<b>COATES &amp; HERFURTH</b>	
CONSULTING ACTUARIES	
582 Market Street SAN FRANCISCO	437 S. Hill Street LOS ANGELES

### ILLINOIS

DONALD F. CAMPBELL and <b>DONALD F. CAMPBELL, JR.</b>	Consulting Actuaries and Public Accountants
35 Years of Service	
160 North La Salle Street, Chicago	Tel. State 1336

### WALTER C. GREEN

Consulting Actuary  
Franklin 2333  
211 W. Wacker Drive, Chicago

<b>HARRY S. TRESSEL</b>	Certified Public Accountant and Actuary
10 S. La Salle St., Chicago	
Associates	Franklin 4220
M. Wolfman, A. A. L. A. N. A. Moscovitch, Ph. D. L. J. Lally	

### INDIANA

<b>Haight, Davis &amp; Haight, Inc.</b>	Consulting Actuaries
FRANK J. HAIGHT, President	Indianapolis—Omaha

### HARRY C. MARVIN

Consulting Actuary  
221 E. Ohio Street  
INDIANAPOLIS, INDIANA

### NEW YORK

Established in 1865 by David Parks Fackler	
<b>FACKLER &amp; COMPANY</b>	Consulting Actuary
Edward B. Fackler	Robert O. Holan
8 West 40th Street	New York City

Consulting Actuaries Auditors and Accountants	
<b>S. H. and Lee J. Wolfe</b>	Lee J. Wolfe William M. Corcoran Joseph Linder
110 John Street, New York, N. Y.	

### PENNSYLVANIA

<b>FRANK M. SPEAKMAN</b>	CONSULTING ACTUARY
Associate	E. P. Higgins
THE BOURSE	PHILADELPHIA

# Sales Ideas and Suggestions

## Brighter Omens Seen in the Business World Skies

By HAZEN P. AIKEN  
Los Angeles

I don't know how you feel about it, but, I personally feel that we life insurance men really have a lot to be thankful for today and for the many days to immediately follow.

While the first shock of war abroad and the natural fear that we might become involved put many of us in the doldrums and what is more important, our prospective clients—cool, calm-headed reflection should and would produce the opposite type of reaction.

Following a similar wave of pessimism, which swept our ranks after war was declared back in 1914, the life insurance business began a series of yearly increases which nothing could stop until 1931, or to be exact, two years after the start of the deepest depression the world has ever experienced.

### Some Figures Are Given

Here are the figures (quotations in number of millions): 1914, 2,400; 1915, 2,800; 1916, 3,200; 1917, 3,800; 1918, 4,000; 1919, 7,000 (75 percent increase); 1920, 8,400, and so on up to the peak reached in 1930.

If the last war or threat of war did that to our business, what are we worrying about?

While we as a group should be, and are, sorry that it takes a war and the killing off of millions of young men to materially improve our business, we should not feel down-hearted or ashamed. We very definitely had no

part in starting it, but, to the contrary, have lent our best efforts toward stopping it and/or preventing its spread.

Why, then, shouldn't we embrace the opportunity circumstances beyond our control provide for us, and rejoice over the prospects for better business and increased profits.

### Rising Business Barometer

Another fact, which should lend encouragement, is the rising business barometer. Here are a few figures taken from recent reports which lend weight to the argument.

Second quarter reports reveal:

1. Steel, 90 percent of capacity. A top for the year.
2. Shipbuilding, full capacity.
3. Machine tool and aircraft trades; overflowing capacity.
4. Car loadings; highest level for year.
5. Electric equipment; close to all time record.

6. Engineering awards (due to defense), 92 percent above 1939.

The newspapers are full of reports on plant expansions in the aviation and machine tool trades, all trades in fact—overtime schedules are the rule in these industries today with individual workers reportedly drawing down weekly checks as high as \$185.

Industry is on the upgrade, meaning, more dollars in more pockets. What is going to prevent some of those excess dollars finding their way into our pockets? The answer is nothing! I seem already to hear that merry jingle—do you?

pany, utilizing one of the modes of settlement. However, we are of the opinion that in many cases, where the amount of life insurance is \$25,000 or more, that the desires of the policyholder can only be served through the creation of a life insurance trust because of the flexibility of such an instrument.

### Problem Is Identical

However, whether the institution selected to carry out the wishes of the individual be the life company or the trust company, the problem confronting the two in carrying out those wishes are fundamentally identical, and we believe that if the two institutions are to give the public the proper service to which it is entitled, we must get together in friendly fashion, talk over our mutual problems and arrive at the best means and methods of solving them."

## WATCHING THE PHRASEOLOGY

The Durham Life "News Record" enjoins its agents to watch their phraseology. It exhibits parallel columns showing the difference between using sales or technical expressions and service expressions. The comparison is as follows:

### SALES EXPRESSIONS

Our policy.

This plan costs \$300 a year.

The premium is \$300.

Our \$10,000 policy.

The policy will cost you \$30 a thousand.

You pay premiums for 20 years on this \$10,000 policy.

Under this plan you pay as long as you live.

This is a sacrifice you ought to make for your family.

### Center of Influence Ideas Are Given

Heaven help the agent in these days of drastic drives for business who hasn't established for himself a half-dozen centers of influence, policyholders who are in a position to help him with leads, and who owe him enough of an obligation that they are glad so to assist.

The agent who can go from one center of influence to another, who is welcomed at each place, and who can talk over leads in friendly fashion, is never out of prospects.

No policyholder will come to you and say, "I'll be glad to help you." The thing works the other way. You must deliberately select three or four men whom you know can help, and then "play ball" with them until you have them at the point where they are glad to help.

The plant superintendent is a good center of influence. He knows about changes, promotions, new arrivals. He knows the plants and the men who are prospering.

### Salesmen Are Good Centers

Salesmen in other lines are good centers of influence. They have a wide acquaintance. They come in contact with hundreds of folks whom you have never met. They know what is going on "about town." The undertaker is a good center of influence. He can tell you of the brothers and the brothers-in-law who have just witnessed what death can do when it bankrupts a home.

The clerk in the recorder's office is a good center of influence. He knows who is selling property, who is buying mortgages, who is investing heavily in land.

The accountant is a good center of influence. Without disclosing any of the confidential affairs of his clients, he is able to direct you to profitable fields.

Make out a list of five or six of your policyholders whom you would like to have as your centers of influence. Think out ways and means of serving them so that they will be glad to help you.

Set this down as one objective of your drive for business—and you will go far in solving your prospect problem.—Franklin Field.

"The thing that creates the sale is not the premium, the contract or the company but the HEART. You've got to sell 'a way of life.' They that don't know must be shown. I don't sell them life insurance or an endowment, I sell them a chicken farm, or a place in Maine or how to get even with old man work at 60."—J. S. Kibrick...

### Reasons Why Life Insurance Should Be Programmed

1. Ordinary good business judgment calls for it.
2. To get full value for your premium deposits.
3. To avoid the payment of needless taxes.
4. To protect your funds with the spendthrift trust clause.
5. To avoid needless delay and court expense.
6. To coordinate your insurance with social security.
7. To make your insurance serve well your needs.
8. To secure the common disaster clause protection.
9. To know where you are headed financially.
10. To avoid being unfair to younger children.
11. To make your life insurance lapse-proof.
12. To protect those you love.

### Are You . . . ?

Are you seeing the right kind of prospects?

Are you avoiding the waste of time on non-essentials?

Are you routing yourself economically?

Are you making a skillful approach?

Are you thorough and forceful in your presentation?

Are you injecting warmth and enthusiasm into your interviews?

Are you handling objections skillfully?

Are you building good will, prestige, and centers of influence for yourself?

Are you thinking in terms of plenty and presenting adequate amounts?

Are you servicing old policyholders properly?

Are you getting new prospects from contracts?

Are you making a good getaway if you fail to sell?

Are you analyzing your interviews and guarding against ineffective sales methods?

Are you following a plan for self-improvement, with the expectation of becoming more resourceful as a life underwriter?—E. W. Hughes, Massachusetts Mutual, Chicago.

### Pre-Approach Letter

A New York City agent who sends out a pre-approach letter informing the prospect that he is going to call, giving a specific date and time, finds that 95 percent of the men on whom he calls are in at the designated time and that 99 percent are willing to talk to him.

By asking: "Mr. Prospect, do you know the pension power of your present insurance?" you'll find that in most cases, the prospect will immediately come back with a question on the basis of "What do you mean?" This gives you an ideal sales opening.

### On Town Meeting Program

One of the panel of four speakers on NBC's popular "Town Meeting of the Air," Nov. 20, was Stanford Bissell of the Home Life, an associate in the home office sales planning division in New York City.

Mr. Bissell, together with three other young people, was called upon by N.B.C. to talk on "The Moral Concept of Today's Youth." Mr. Bissell, who spoke on his own behalf, of course, is president of the Young Men's Board of Trade in New York City. In the Home Life, he is engaged in recruiting research phases of the home office sales planning division. He is a graduate of Minnesota.

## NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### Bankers of Iowa Ups Annuity Rates

Bankers Life of Iowa has increased its rates on annual premium retirement and single premium immediate annuities. Both are participating forms.

The retirement annuity is sold on the basis of \$100 annual premium with three optional modes of payment available from ages 50 to 70, no refund, 10 year certain or survivorship. The new rates follow:

#### Retirement Annuity

Cash Value End Per \$100 of Ann. yr.	Monthly Inc. per \$1,000 of Proceeds—				
	Prem.	M.	F.	Annuity	Years Cert.
1 \$ 54.32	..	50	41.15	\$4.09	
2 147.93	..	51	42.44	4.17	
3 243.88	..	52	43.33	4.25	
4 342.23	..	53	44.22	4.33	
5 443.04	..	54	45.11	4.42	
6 546.37	50	55	46.01	4.50	
7 652.28	51	56	47.22	4.60	
8 760.84	52	57	48.33	4.69	
9 872.11	53	58	49.45	4.79	
10 986.16	54	59	50.57	4.90	
11 1,103.06	55	60	52.00	5.01	
12 1,222.89	56	61	53.44	5.12	
13 1,345.71	57	62	54.88	5.23	
14 1,471.60	58	63	56.32	5.35	
15 1,600.64	59	64	58.00	5.48	
16 1,732.91	60	65	59.70	5.61	
17 1,868.48	61	66	61.50	5.74	
18 2,007.44	62	67	63.34	5.87	
19 2,149.88	63	68	65.24	6.01	
20 2,295.88	64	69	67.16	6.16	
21 2,445.53	65	70	69.07	6.30	
22 2,598.92	66	..	72.11	6.45	
23 2,756.14	67	..	74.66	6.60	
24 2,917.29	68	..	77.33	6.76	
25 3,082.47	69	..	80.20	6.91	
26 3,251.78	70	..	83.22	7.07	

Survivorship Annuity		
Male	Female	Age
30 3,972.42	30 3,972.42	50 55 60
31 4,163.98	32 4,360.33	50 3,64 3,77 3,90
33 4,561.59	34 4,767.88	50 3,77 3,99 4,22
35 4,979.33	36 5,196.06	60 3,87 4,15 4,44
37 5,418.21	38 5,645.92	61 3,89 4,17 4,48
39 5,879.32	40 6,118.55	62 3,90 4,20 4,52
41 6,363.76	42 6,615.10	63 3,94 4,25 4,60
43 6,872.73	44 7,136.80	64 3,95 4,28 4,64
45 7,407.47	50 8,865.77	65 3,97 4,30 4,67

\*To obtain monthly income per \$100 annual premium divide cash value at attained age by 1,000 and multiply by income per \$1,000 for attained age.

#### Single Premium Immediate Annuity

Age	Life Annuity Refund Annuity	
	Single \$1,000	Single \$1,000
35	\$3,344.98	\$2.94
40	3,069.41	3.20
45	2,782.42	3.52
50	2,487.50	3.93
55	2,189.12	4.45
60	2,129.51	4.57
65	2,070.02	4.70
70	2,010.69	4.83
75	1,951.60	4.97
80	1,892.78	5.12
85	1,834.27	5.28
90	1,776.14	5.45
95	1,718.44	5.62
100	1,661.23	5.81
105	1,604.54	6.01
110	1,547.96	6.21
115	1,491.41	6.45
120	1,434.98	6.70
125	1,378.53	6.94
130	1,322.12	7.19
135	1,265.72	7.39
140	1,209.32	7.59
145	1,152.92	7.79
150	1,096.52	7.98
155	1,040.12	8.17
160	983.72	8.36
165	927.32	8.55
170	870.92	8.74
175	814.52	8.93
180	758.12	9.12
185	701.72	9.31
190	645.32	9.50
195	588.92	9.69
200	532.52	9.88
205	476.12	10.07
210	420.72	10.26
215	364.32	10.45
220	307.92	10.64
225	251.52	10.83
230	195.12	11.02
235	138.72	11.21
240	82.32	11.40
245	25.92	11.59

#### Reliance's Juvenile Endowments

The Reliance Life announces that it has decided, in case of juvenile endowment policies where the purchaser desires to pay all premiums at time of issue, to accept the first five annual premiums discounted at the rate of 2 percent and all subsequent premiums discounted at the rate of 1 percent, subject, however, to the rule prohibiting the acceptance of more than \$5,000 in advance premiums from any individual.

### Income Continuation Policy Originated

Connecticut General has brought out an "Income Continuation" policy which provides a distinctive benefit if insured's death occurs during the specified period. The income that is provided to the beneficiary at the insured's death continues until the end of the income continuation period, which may be set by the insured at 10, 15, 20, 25, 30, 35 or 40 years from date of issue. This income is \$10 monthly per unit.

If the period selected is 30 years and if death occurs within 30 years from date of issue, the beneficiary will receive \$10 monthly for the unexpired portion of the 30 years. The period selected could be roughly that of the remaining term of a mortgage, or until the youngest child becomes self-supporting, or between beneficiary's current age and her age 65.

Premiums are paid for a limited number of years. The ages at which the policy will be considered for standard risks depend upon the income continuance period selected and are:

Income Continuation Period	Medical Basis	Non-Medical Basis
10 year	15-60	15-40*
20 year	15-60	15-40*
25 year	15-55	15-40*
30 year	15-50	15-40*
35 year	15-45	15-40*
40 year	15-35	15-35

\*Age 45 is on salary savings plan.

#### Premiums—\$10 Monthly Income (Non-Par)

Age	8 P.	11 P.	15 P.	20 P.	25 P.	30 P.
15	\$11.15	\$13.91	\$16.30	\$18.38	\$20.17	\$21.73
20	11.47	14.31	16.77	18.90	20.75	22.35
21	11.56	14.42	16.90	19.05	20.91	22.52
22	11.65	14.53	17.03	19.19	21.06	22.69
23	11.74	14.64	17.15	19.34	21.22	22.86
24	11.83	14.75	17.28	19.45	21.38	23.03
25	11.91	14.85	17.41	19.62	21.54	23.20
26	12.04	15.02	17.60	19.84	21.93	24.02
27	12.17	15.18	17.79	20.05	22.32	24.84
28	12.30	15.35	17.98	20.27	22.69	25.62
29	12.43	15.51	18.17	20.45	22.89	26.44
30	12.57	15.67	18.36	20.70	23.48	27.26
31	12.75	16.04	18.77	21.44	24.52	28.56
32	12.98	16.33	19.40	22.16	25.55	29.85
33	13.15	16.74	19.91	22.90	26.59	31.12
34	13.35	17.09	20.44	23.61	27.61	32.42
35	13.54	17.45	20.95	24.35	28.66	33.72
36	14.18	18.45	22.23	25.91	30.52	37.21
37	14.82	19.45	23.50	27.46	32.41	37.21
38	15.45	20.46	24.78	29.01	34.27	37.21
39	16.09	21.46	26.05	30.57	36.16	37.21
40	16.73	22.46	27.33	32.12	38.02	37.21
41	17.76	23.93	29.19	34.34	41.10	37.21
42	18.80	25.40	31.04	36.57	43.24	37.21
43	19.85	26.88	32.91	38.79	45.44	37.21
44	20.88	28.33	34.75	41.01	47.64	37.21
45	21.91	29.82	36.62	43.24	49.84	37.21
46	22.43	31.98	39.28	45.44	52.04	37.21
47	24.96	34.10	41.93	48.58	55.18	37.21
48	26.47	36.24	44.58	51.72	58.32	37.21
49	28.00	38.35	47.24	54.88	61.52	37.21
50	29.51	40.52	49.89	58.18	64.78	37.21
51	31.80	43.64	51.00	61.00	68.28	37.21
52	34.08	46.76	53.28	63.00	70.00	37.21
53	36.36	49.89	55.95	65.00	72.00	37.21
54	38.64	53.01	60.00	68.00	75.00	37.21
55	40.93	56.13	65.00	72.00	78.00	37.21
56	57.48	.....	.....	.....	.....	37.21

\*\$10,000 if on Salary Savings plan.

The contract includes cash values, paid-up insurance and extended insurance options at certain points. If insured's death occurs under paid-up insurance option, reduced income is paid to beneficiary for unexpired income continuation period, provided that if any income payments becoming payable are for less than \$10 each, such income shall be

commuted at 3 percent interest and paid in one sum. If death occurs while policy is running under extended insurance option, monthly income is paid to beneficiary in the same manner and for the same amount as though premiums had been paid.

The policy can be issued with the disability feature but not double indemnity. There is no conversion privilege.

### West Coast Life Dividend Scale Is Adjusted

Dividends now being paid by West Coast Life are an increase in a few instances but for most ages, durations and contracts the scale is a decrease from that used in 1941. The present scale is in effect from Sept. 1, 1941, to June 30, 1942. Illustrations of the new dividend scale are:

Age	2	5	10	15	20
20	\$18.24	\$1.52	\$3.56	\$3.66	\$3.76
25	20.3				

28, 1941

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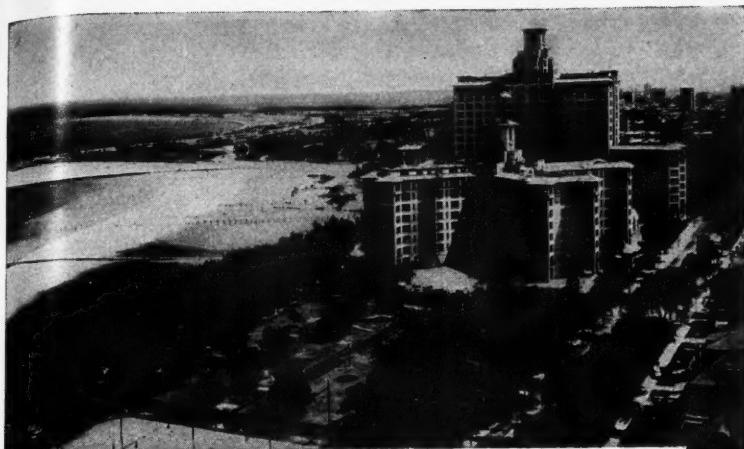
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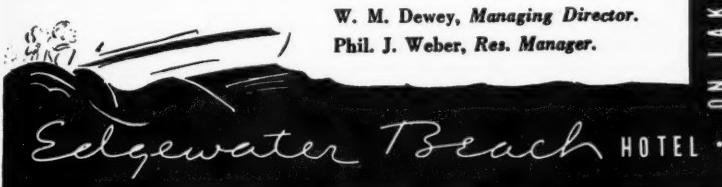


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**A MUTUAL COMPANY  
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State Mutual of Worcester is a Company of character. Now in its 97th year, it has stood the test of war, panics and depressions.

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State Mutual is large enough to do big things well . . . small enough to give that personalized service that counts so much and is so genuinely appreciated by policyholders.

**State Mutual Life Assurance Company  
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INCORPORATED 1844

Rugged as New England's Rock Bound Coast

## **BANKERS LIFE INSURANCE COMPANY OF NEBRASKA**

PRESENTS

**Complete "Sales Help"  
Program**





Lewis W. Douglas (left), president Mutual Life of New York, is greeted by Dale Carnegie. Mr. Douglas and four other Mutual Life men appeared on Mr. Carnegie's radio program, entitled, "How to Get Ahead."



At annual meeting of Home Office Life Underwriters Association:  
Top: Howard Goodwin, vice-president Phoenix Mutual Life and former association president, who conducted the case clinic session; and Ross B. Gordon, vice-president State Mutual Life, ranking association vice-president. Below: J. D. Williamson, actuary Canada Life, retiring president, and H. H. Jackson, vice-president and actuary National Life of Vermont, the new president.



President J. A. Stevenson (at rostrum at right) held a successful Penn Mutual policyholders' meeting in New Orleans, attended by over 130.



Officials of Occidental Life of Los Angeles welcome heads of Lanphar Agency of Detroit, new general agents for Occidental: H. W. Brower, assistant secretary mortgage loan department; M. F. Lanphar, president, and L. N. Jull, vice-president of Lanphar Agency; V. H. Jenkins, vice-president; D. L. Clarke, executive vice-president; G. V. Shipley, home office representative, and R. H. Belknap, director of agencies.

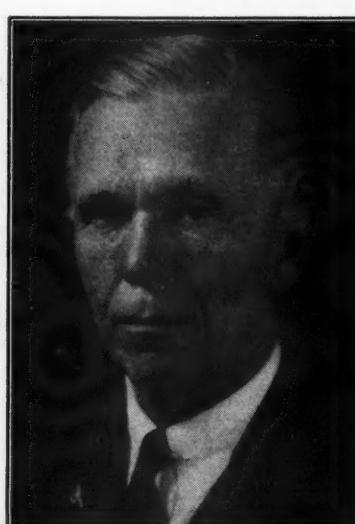
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**DR. W. H. COWLEY**  
President Hamilton College



**DR. DOUGLAS S. FREEMAN**  
Editor Richmond "News Leader"



**GEN. GEORGE C. MARSHALL**  
Chief of Staff U. S. Army



**HAROLD E. STASSEN**  
Governor of Minnesota